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**Employees' Perceptions of a Change in Organizational Social
Context Following a Change in Leadership**

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**Employees' Perceptions of a Change in Organizational Social
Context Following a Change in Leadership**

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Dedication

This dissertation is dedicated to:

Oscar Mink, an extraordinary friend and colleague,

Josephine and Arville Johnson, my parents who taught me tenacity,

and

J. Pat Weaver

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To paraphrase the African proverb, it has taken a village to write this dissertation. Friends, family, co-workers and faculty have all had a part in my life while I have worked toward this goal. There is no way I could have managed it alone, nor would I have wanted to even try.

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Employees' Perceptions of a Change in Organizational Social Context Following a Change in Leadership

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The purpose of this study was to examine employees' perceptions of a change in organizational social context following a change in leadership. The concept of social context was defined as an integration of the concepts of organizational climate and organizational culture. The research paradigm was qualitative and the methodology was the study of a single case – a public sector organization.

Leadership changes more frequently in public sector organizations than in the private sector and the impact of this turnover at the top is usually mitigated by the on-going service of career public sector managers who provide linkages from one leader to the next. In this instance, the links deteriorated and employees' perceptions of the climate and culture of the organization declined. The author,

an employee of the study organization, acknowledged the impact of her role as participant-observer on the collection and analysis of data.

Both qualitative and quantitative data were gathered and analyzed for this study. Qualitative data were taken from interviews with agency executives and the author's field notes. Quantitative data were drawn from the four iterations of the Survey of Organizational Excellence (SOE) that were conducted during the timeframe of the study.

Trends in four work place dimensions measured by the SOE were examined: Organizational Features, Work Group, Information and Personal. Trends occurring in the subject organization over the eight-year timeframe of the study were compared to trends in the same work place dimensions in benchmark agencies.

Implications for the study were that public sector organizations could change, and that politically appointed leaders could have a significant impact in spite of the brevity of their appointments. And these changes could be drastic enough and occur rapidly enough to impact the efficiency and effectiveness of the organization. Because the size and scope of local government has continued growing and resources shrinking, political appointees to public sector organizations should be chosen for their expertise as well as their political alignment.

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CHAPTER ONE

“Who are you?” said the caterpillar. “I, I hardly know, Sir, just at the present,” Alice replied rather shyly, “at least I know who I was when I got up this morning, but I think I must have changed several times since then.”

Lewis Carroll

Introduction

I have worked with organizations of various size and mission for over twenty years and have seen and studied organizational change from a number of perspectives – as a participant, as an implementer, as a consultant and as a student. I knew a lot about change; how it occurred, what hindered it, how people felt about it and basically what to expect and how to take advantage of it. I have experienced planned change and catastrophic, unexpected events. But I never saw an organization go through so much change so rapidly as the subject of this case study did over a period of eight years under the leadership of two very different leaders. The purpose of this case study was to describe how the employees of this organization experienced a change in the social context of their organization after a change in leadership.

First, the organization spent decades in routines so established they had almost achieved the status of ritual. Then, Leader A was appointed and the organization opened up, communication and scope expanded, new relationships were established both internally and externally, and new life was breathed into stagnant careers. Six years later, Leader B took control. In what felt like the

blink of an eye, systems shut down, communication became fragmented and unreliable, and no one seemed to know what was expected of them.

My position in the organization gave me close contact with a large number of employees, both leadership and line staff. I was involved in on-going organization-wide projects during both phases of leadership and employees would talk to me about how these leaders were affecting them and their work. In the first phase, under Leader A, the change was perceived as positive and people wanted to know how to contribute, how to participate. No one wanted to be left out. In the second phase, under Leader B, the change was experienced as negative. Employees wanted to know how to make sense out of what seemed to be happening and asked for guidance on how to survive. One employee told me he planned on keeping his head down until “everything was over”. People avoided participating when possible and focused on “just doing my job”. Many who could took retirement, some earlier than they had originally planned.

It was in search of a more complete understanding of what happened to the social context of one organization after a change in leadership that this study began. No data were gathered at the behest of the University of Texas, or the study agency. Data were gathered solely at the discretion of the researcher with no interest other than describing the potential impact of a change in leadership on a public sector organization. The remainder of this chapter includes the Purpose of the Study, Guiding Hypotheses, Theoretical Perspectives, Definitions, Delimitations, Limitations, Study Significance and Organization of the Study.

PURPOSE OF THE STUDY

The purpose of this case study was to examine the change in the social context of a selected health and human services state agency in the Southwestern United States over a given period of time as experienced by its employees. The reason it was important to gauge how social context is affected by a change in leadership and how employees reacted to the change was that all organizations, including state agencies, are expected to work smarter in today's environment of dynamistic change (Edwards & Eadie, 1994, Kamensky, 1996, Rago, 1996, Von Dran, Prybutok, & Kappelman, 1996, Wooldridge & Wester, 1991), and studies have long shown how employee perceptions (Howard & Foster, 1999, Neck, 1996, Toulson & Smith, 1994), and organizational culture and climate (Altman, 2000, Brewer & Selden, 2000, Fink & Chen, 1995, Schein, 1992, Stetzer & Morgeson, 1997, Valle, 1999) impacted "...the systematic balance and effectiveness of an organization" (Trice & Beyer, 1993, p. 23).

GUIDING HYPOTHESES

The bounded system of this study was a public sector organization and the participants interviewed and surveyed were employed during the terms of both Leader A and Leader B. The purpose of the study was to examine how employees experienced a change in the social context of their organization after leadership changed. This research was a description of one organization during a specified period of time. The research paradigm was qualitative and the methodology was case study. The interest was in process and experiences rather than outcomes and generalizability, and in context and discovery rather than

predictability and metrics. According to Marshall and Rossman (1989), studies using qualitative methods do not usually have specific, delimited problem statements or hypotheses. Instead, guiding hypotheses, tools for generating questions and searching for patterns, were identified.

The organization studied changed twice in a short period of time. The first change was experienced as positive, defined by individual and organizational growth and renewal. The second change was experienced as negative, characterized by confusion, withdrawal of support and decline in effectiveness. The process of changing leadership was a common one to public sector employees. Chief Executive Officers (CEO) have changed more frequently in bureaucracies than in the private sector. (Richards, 1994, Sensenbrenner, 1995) When an election has resulted in a change of political parties, a change in agency leadership has followed. But, while public sector employees were accustomed to a fairly rapid turnover in leadership, they did not generally expect rapid, overall organizational changes every time it happened. Career bureaucrats usually provided the continuity between one administration and the next and were credited with initiating organizational change more often than the CEO. (Sensenbrenner, p. 92)

Two hypotheses guided this study. First, public sector organizations can change. They not only can change, but do so rapidly and often. Second, leaders in public sector organizations, despite the brevity of their terms as leader, do have an impact on the social context of the organization and thus on its effectiveness and efficiency.

This study described the way public sector employees experienced a change in the social context of their organization after leadership changed. Knowing more about the effects of changing leadership on culture, climate and, ultimately, organizational effectiveness may help influence policy and practice in the future.

THEORETICAL PERSPECTIVES

Organizations and Management

Organizations exist to produce a product or service, to share knowledge, to promote beliefs, to make money, to spend money, to protect ideas and groups and simply to get work done. Large or small, organizations have emerged and continued to exist because of some benefit to, at the very least, their members. (Jackson, Morgan, & Paolillo, 1986, p. 6) From the beginning of the 20th century, theories of organizations and management have evolved from a focus on individual tasks to a focus on organizational structure, management principles, human relations, leadership practices, the impact of technology and the importance of organizational climate and culture. (Sashkin, 1981, Trice & Beyer, 1993) Theories of organizations and management have provided the foundation for this study.

Organizational Culture and Climate

Two factors found to be significant in overall organizational effectiveness were the culture and climate of the organization. Organizational culture, like human culture in general, is a set of values, beliefs, myths and norms that informs group members' behavior and tells them how to cope with the uncertainty of

business today. (Brewer & Seldon, 2000, Toulson & Smith, 1994, Trice & Beyer, 1993)

Closely associated with organizational culture is the domain of organizational climate. Tagirui defined climate as:

...a relatively enduring quality of the internal environment of an organization that (a) is experienced by its members, (b) influences their behavior, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization. (1968, p. 27)

Toulson and Smith (1994) refer to climate as the way employees view the personality of their organization. (p. 454) However defined, there is nothing inherently positive or negative about an organization's climate. It only takes on value when it is related to specific desired outcomes. (Muchinsky, 1987)

Organization climate and organization culture are two distinct constructs meant to show different, yet integrated, views of organizational life. (Denison, 1996) There have been numerous studies showing the influence of climate and culture on a variety of organization domains including absences (Martocchio, 1994), job performance and employee satisfaction (Lawler, Hall, & Oldham, 1974), accidents (Hofmann and Stetzer, 1996), organizational effectiveness (Waldman, 1993, 1994), and management practice. (Toulson and Smith, 1994) Denison (1996) made a strong case for integrating the concepts of climate and culture into a single construct, social context. Theories related to climate, culture and social context have provided the framework or specific context for this study.

DEFINITIONS

Organizational Change

There are multitudinous definitions of the word change in the literature dealing with the nature of change, the scope of change, the rate of change and the results of change. Mink has used “change” and “transformation” interchangeably and defined them as a shift in a person’s values that affects their own learning process. (Mink, Esterhuysen, Mink, & Owen, 1993) Nadler referred to the transformation of core business strategies as “discontinuous”. (Nadler, Shaw, & Walton, 1995) Discontinuous change was based on the assumption that the intended goal of the change process was to change the framework of the organization itself. Jantsch referred to “dissipative” change in which the organization’s existing forms were dissolved and replaced by entirely new forms and structures. (Kiel, 1994, p. 15) The important elements of all these definitions related to the scope and nature of change. For the purpose of this study, organizational change was defined as the process by which a public sector organization fundamentally altered the paradigms by which it operated.

Organizational Climate

Organizational climate has been defined as employee perceptions of the objective characteristics of an organization (Toulson, 1994, p. 454) or the psychological environments in which the behaviors of individuals occurred. (Trice and Beyer, 1993, p. 19) Climate is an expression of how people feel about an organization.

Organizational Culture

Trice and Beyer define culture as “ ... relatively implicit sets of taken-for-granted beliefs, values and norms ... ” that “ ... help people cope with uncertainties by providing them with accepted ways of expressing and affirming their beliefs, values, and norms” (1993, p. 2). Culture is an expression of what people believe and a prescription for how they behave.

Leader

The leader is the highest-ranking official in an organization. In the private sector, leaders are frequently referred to as Chief Executive Officers (CEO). In the public sector, the leader has most often been a Commissioner or Director. Leaders of public sector organizations report to authorities outside their agencies, like a Board of Directors, a legislative body or a Cabinet Member.

Public Sector Organizations

Public sector organizations are organizations (bureaus, agencies, commissions) that are mandated by law, funded with public monies and exist to provide goods and services for the public benefit.

Social Context

Denison proposed that the research on organizational climate and organizational culture be integrated into the study of a single construct he referred to as social context. He defined social context as “ ... the internal social psychological environment of organizations and the relationships of that environment to individual meaning and organizational adaptation” (1996, p. 645).

DELIMITATIONS

The subject of this research was a single organization, a health and human services state agency in the Southwestern United States.

The timeframe of the study was eight years near the end of the 20th century.

Individual participants were limited to current or former employees of the subject organization who were employed during the time when leadership changed. Each participant spent at least one year employed during the tenure of Leader A and one year employed during the tenure of Leader B.

There was a maximum of 11 individual participants, including the researcher.

LIMITATIONS

Data for this study were taken from individual interviews, focus groups and survey results. Veracity and authenticity depended on the reliability and validity of the survey instrument and on the knowledge, skills and abilities of the researcher to develop valid coding schemes.

Study participants were deliberately chosen to participate in the study. There was no attempt to interview every employee who worked under each leader. The results of this study could have been different if a different set of sample criteria had been utilized to identify sample members.

Three of the study participants continued to work at the agency. Their contributions could have been influenced by their continuing involvement within the study environment.

Retrospective reporting may be weakened by the problems associated with individuals' abilities to recall accurately sequences of events that occurred in the past. "The possibility exists for self-serving rationalizations of the past in order to enhance the image of the [person reporting]" (Olshfski, 1997, p. 1124).

This study described the experiences of the study participants and thus did not provide a comprehensive picture of Leaders' work environments.

The epistemological assumption in this study was one of close interaction between the researcher and what was being researched. The researcher was employed at the subject organization during the timeframe under study. She was professionally involved with both Leader A and Leader B and their projects. The researcher acknowledged a responsibility for being open-minded, truthful and disciplined in gathering and reporting data. Interviews were unstructured to prevent the researcher's bias from influencing the nature and scope of topics discussed.

The research was a case study of a single organization. Generalizability was limited and dependent on similarity of organization and circumstance.

SIGNIFICANCE OF THE STUDY

My experience in state government has instilled in me a deep appreciation for the men and women who spend their lives in service to public sector organizations. Far from the insensitive, unemployable elsewhere, and lazy individuals portrayed in cartoons and late-night television monologues, I have found government employees on the whole to be dedicated to their customers, motivated to constantly improve public service and willing to do whatever it takes

to get the job done. What they found frustrating were the limits imposed on them by the very nature of being in a bureaucratic organization: external, often unfunded, mandates; slow decision-making; reduction in both monetary and human resources; constant evaluation and reporting requirements; and public scrutiny of every aspect of their jobs. Despite all this, improving the effectiveness and efficiency of public sector organizations has usually derived from the creativity and motivation of employees, not in the largesse of public funds or beneficence of any legislative body.

Improving a public sector organization has often been difficult because the same elements mentioned above that constrain individual employees also constrain entire organizations. Public scrutiny is a two-edged sword. One negative, or even questioning, newspaper article can derail an entire program of organizational change and development. On top of that, leadership that changes on the average of every two to four years has not generally had time to make a real difference.

The significance of this case study was the fact that it described a public sector organization that changed not once, but twice in a short period of time, once perceived for the better and once perceived for the worse. Newly elected office holders should consider the elements of the positive change when making political appointments and be aware of the potential negative impact of their choices. Anything that slows government down or causes the exodus of skilled, knowledgeable career bureaucrats hurts us all by making government more expensive and less effective. Year-by-year, public sector resources have been

curtailed and, year-by-year, demands for public sector services have increased. By improving the effectiveness and efficiency of public sector organizations benefits should accrue to everyone.

This study examined changes in organizational social context, as experienced by members of the organization, following a change in leadership. Within the context of the case study, both qualitative and quantitative data were gathered and analyzed. The data gathered included group and individual interviews, employee opinion survey data and focus groups held to validate survey data.

ORGANIZATION OF THE STUDY

Chapter 1 will introduce the purpose of the study and describe the background of the case study subject. The introduction includes the hypotheses guiding the study, a brief discussion of the theoretical perspectives underlying the study, definitions, delimitations, limitations and the significance of the study.

Chapter 2 will provide a review of the relevant literature related to the study. Relevant literature includes theories on organizations and management, climate, culture and social context. Rather than summarizing all available work, the review is focused on the primary elements of the study.

Chapter 3 will describe the methods used to conduct the study and to collect data on the case study subject. This chapter describes research methodology, research design, sample selection, data collection procedures and data analysis methodology.

Chapter 4 will present the heart of the study, a single subject case study.

Chapter 5 will summarize the case study findings by providing conclusions, discussions and recommendations.

CHAPTER TWO

Review of Literature

INTRODUCTION

The purpose of this study was to describe how the social context of a public sector organization changed when leadership changed. According to employee interviews, the organization went from a dynamic, learning organization characterized by multiple levels of group process and group decision-making to an organization with unclear vision and goals, unilateral decision-making and an absence of trust among the leadership. A climate survey conducted before, during and after the change in leadership supported the interview data by recording first a rise, then a decline, in employees' perceptions of the organization's functioning. The significance of this study has centered on the fact that the efficacy of public sector organizations affects us all and every effort should be taken to insure their continued performance and improvement.

This review of relevant literature has been organized around theories related to organizations and management, climate, and culture. The first section will briefly describe a history of organizations and management. Section two will present an overview of the prominent organizational theorists from 1900 to 1980. Section three will examine the constructs of organizational climate and culture as they apply to this study.

HISTORICAL ORGANIZATIONS AND MANAGEMENT

The history of organizations and concomitant instructions on how to manage them is as old as the history of mankind itself. William reported the following recorded instructions given to Egyptian viziers during the building of the pyramids:

It's an abomination of the God to show partiality. This is the teaching:

Thou shalt do the like, shalt regard him who is known to thee like him who is unknown to thee, and him who is near to [thee]... like him who is far....An official who does this then shall be flourished greatly in the place. (1912, pp. 18 – 19)

There have always been reasons to join together to accomplish a task or reach a goal. From hunting for food to building the great pyramids of Egypt to merging two giant telecommunication companies, men and women have always realized the advantages of coming together to get things done. And, whenever two or more people joined together to achieve a common goal, there existed the necessity to organize activities, communicate clearly and manage work.

Ancient organizations were smaller and considerably less complex than those of today. Typically a single authoritarian, usually a religious leader or the oldest male in the group, ruled a tribe and was obeyed by all without question. (Sashkin, 1981, p. 207) This one-to-many, my-word-is law, punishment-by-death type of management became ineffective when the size of the group grew beyond a dozen or so and the work became more complicated than the initial survival tasks

of gathering food, making shelters and moving from place to place. The Bible described Moses' task of moving thousands of people out of enslavement in Egypt. On the advice of his father-in law, Moses chose men from across Israel as leaders and officials over "... thousands, hundreds, fifties and tens" (The NIV Study Bible, Exodus 19:25 - 26). These group leaders reported to leaders of leaders who reported up the chain of command to Moses himself in a simple hierarchical structure that facilitated and coordinated the hundreds of individual tasks that needed to be done daily.

Even earlier, in the centuries before the Romans and Egyptians, ancient Chinese organizations existed that are documented as being "complex" and "bureaucratic". (Rindova & Starbuck, 1997, p. 149) An important point about ancient organizations was that hierarchies taller than the one used by Moses were rare. This form of organizational structure was more or less sufficient until the Industrial Revolution of the late 1700's. (Wertheim, 2002, p. 1)

Theories about organizations and management did not develop in any predictable manner. (Evered & Louis, 1981, p. 385) Numerous important issues relevant to modern day organizations were discussed and written about prior to the Industrial Revolution. Aristotle laid the groundwork for many standard elements of modern management by advocating the specialization of labor, delegation of authority, departmentalization, decentralization and emphasis on the importance of leadership selection. (Aristotle, trans.1932) Machiavelli, in 1527, described methods for developing authoritarian structures within organizations. (1998, p. 18) According to McCarthy (2002), Thomas Hobbs, in 1651, "...

provided a justification for autocratic rule that helped establish a pattern for organizations through the 19th century” (p. 1). Following Hobbes, John Locke, in 1690, and later Jean Jacques Rousseau, in 1762, advocated the type of participatory management that was reflected in the U.S. Declaration of Independence. (p. 1) Adam Smith, in 1776, proposed the revolutionary concepts of centralization of labor and equipment in factories, division of specialized labor and the management of specialization in factories. (p. 1)

Prior to the Industrial Revolution, society had undergone a major shift in attitudes and beliefs about work, self-discipline, faith-based salvation and wealth. (Trice & Beyer, 1993, p. 34, Wertheim, 2002) The Protestant Reformation, initiated by Martin Luther in 1517 and furthered by John Calvin in 1533, replaced dependence on the sacraments and clergy of the Catholic Church for spiritual salvation with a belief in salvation through individual faith alone. (Wertheim, p. 1) Protestant believers were urged to get up early, work hard, practice thrift, eschew worldly pleasures and remain sober and serious. The wealthy were drawn to Protestantism because it allowed them to keep more of their money; they were no longer required to send great sums to Rome to assure assent into Heaven. The poor were attracted to the teachings of Luther and Calvin because of the emphasis on individual dignity and respect.

An unintended consequence of turning people into hard-working, thrifty Protestants was the acquisition of wealth. (Elwell, 1996, p. 8) Max Weber described the phenomenon as the Protestant Work Ethic. (Kilcullen, 1996, p. 1) Merchants and skilled workers living in cities supplied more and more

“manufactured” goods and more and more people had the money to buy them. With the advent of steam power in 1698 and 1705, all elements were in place for the factory system of the 19th century. (Jackson et al. 1986, p. 10)

The development of steam power greatly changed the production of textiles and other products and resulted in big factories that required the management of large numbers of workers, huge shipments of raw materials and the transportation of finished products over long distances. The Industrial Revolution marked a turning point for organizational structure and management practices. (Jackson et al. 1986, p. 11) Technology rendered the traditional hierarchical form of organization ineffective, and it began to malfunction as issues of interdependencies and increasingly complex technologies became more common. (Sashkin, 1981, p. 207)

ORGANIZATION AND MANAGEMENT THEORIES: 1900 – 1980

As the 20th century dawned, scholars and practitioners began to theorize in earnest about ways to modify traditional organizational structure and management in order to improve functioning and productivity. Organizational theory and practice has gone through much iteration over the past 100 years. According to Sashkin, the organization and management theorists most influential from 1900 to 1980 were Frederick Taylor, Max Weber, Henri Fayol, Elton Mayo, Fritz Roethlisberger, W. Dickson, Douglas McGregor, Rensis Likert, Fred Emery and Eric Trist. (1981, pp. 209 – 221)

Frederick Taylor: Scientific Management

Taylor developed his theory of Scientific Management based upon his belief that complex outcomes could be derived from the linear completion of discrete tasks and that the best way to improve productivity was to eliminate human variability. In *Scientific Management*, Taylor stated, “If you are a high-priced man, you will do exactly as [you are told] from morning to night” (1911, p. 46). In the process of analyzing the best way to get work done, Taylor also studied the correlation between worker fatigue, safety and productivity. His research led to the introduction of daily breaks in the work cycle and a shorter workday.

Taylor’s work resulted in both dramatic increases in productivity and in charges that he treated workers inhumanely. There is evidence that the “Taylor” type of supervision, management and job design resulted in psychological damage to workers and led to group resistance and work sabotage. (McCarthy, 2002, p. 1, Wertheim, 2002, p. 5)

Max Weber: Organizational Structure and Bureaucracy

Max Weber, a German sociologist considered brilliant, erudite and complex (Wertheim, 2002, p. 7), wrote about many subjects, including organizations, religion, sociology, power and authority, the Protestant Ethic, and sociocultural evolution. Many of his theories were based on his concept of rationality, which Elwell (1996) defined as the “... practical application of knowledge to achieve a desired end” (p. 12). His interest in the operations of large societies and organizations led him to study the bureaucratic structures of

Chinese civilization, the Prussian Army and the Catholic Church. (Sashkin, 1980, p. 210) As a result, Weber became convinced that bureaucracy was the ideal organizational form in terms of effectiveness, goal attainment and appropriate use of authority and power. According to Weber, “When fully developed, bureaucracy stands ... under the principle of *sine ira ac studio*, without scorn and bias” (1946, p. 215). Weber created the first clear representation of an entire organizational structure and was the first to tie the authority that an organization has over employees to a rational-legal system by means of rules, policies and procedures. (1981, p. 210)

In Weber’s bureaucracy, organizational functions were described by what was needed, not by what an individual could do, as had previously been the case. Managers’ responsibilities were clearly defined, making it possible to find and hire people with the specific skills required, as opposed to individuals inheriting positions. Managers’ authority was also clearly defined; an organization’s control over an employee was limited to their behavior at work. Weber saw the rise of bureaucracies, organizations based on rules, as a natural parallel to the rise of democracy, government based on laws. “This results from the characteristic principle of bureaucracy; the abstract regularity of the execution of authority, which is a result of the demand for ‘equality before the law’ in the personal and functional sense” (Gerth & Mills, 1946, p. 224).

Weber identified key elements of a bureaucratic organization, including: rules to guide officially-recognized functions; specified job functions; clearly defined hierarchy of supervisors and managers; selection based on professional

qualifications; full-time, paid officials; and clear distinction between private and business responsibilities. (Price, 2002, pp. 2-3)

Henri Fayol: Principles of Management

A contemporary of Frederick Taylor and Max Weber, Henri Fayol was a manager in a mining company in France for over 30 years. His extensive management experience distinguished his contributions to organizational and management theory from that of most other theorists, who have been primarily academics and scholars. (Sashkin, 1981, p. 210) Fayol's front line experience gave him an awareness of the growing need for organizational coordination due to the advances in technology in mining and other industries. His focus was on the overall management structure of an organization. Due to his belief that " ... social phenomena are, like physical phenomena, subject to natural laws independent of our will ... " (as cited in Sashkin, 1981, p. 209), he was one of the earliest theorists to codify management tasks and organizational principles. (Jarvis, 2002, p. 1) He first identified five key management functions: planning, organizing, directing, coordinating and controlling. He went on to identify a series of management principles that include the following (then) radical ideas:

A unified organizational plan, communicated and implemented through a chain of command; every worker had one boss; management with authority to give orders and exact obedience; appropriate discipline to insure rules were obeyed; specialization of work to improve methods and allow the worker to learn; retention of organizational knowledge and skills

by keeping a permanent work force; and, the importance of worker harmony and esprit de corps. (Jarvis, 2003, pp. 2 – 3)

Fayol believed in a linear chain of command and did not support Taylor's idea about functional foremen. (Sashkin, 1981, p. 210) He was, however, pragmatic. He introduced the idea of an organizational gangplank, a linking mechanism in the organizational chart that allowed a worker in Unit A to communicate directly with a worker in Unit B, as long as both their managers had delegated such discretionary authority to them. Known as "Fayol's Bridge", this slight modification was, according to Sashkin, "... the first step toward major change in our view of organizational structure" (1981, p. 210).

Fayol, by delineating his management principles, was one of the first to theorize about the nature of leadership and its impact on front line staff and productivity. Unlike Taylor, he recognized the importance of how employees felt about their organization and their work. The aspect of a harmonious workforce with esprit de corps was an early precursor to later theories of organizational climate.

Elton Mayo, Fritz Roethlisberger and W. Dickson: Human Relations

During the 1920's, scholars and managers were intent upon applying Taylor's theory of Scientific Management in the work place, in particular using time-motion studies to improve productivity. (Sashkin, 1981, p. 212) At the Western Electric Hawthorne plant, a test area was set up to measure changes in productivity in relation to changes in the work environment. The test results were baffling to the industrial engineers conducting them. No matter what changed in

the work environment, productivity increased. At first, this result seemed predictable; as improvements were made, workers got more done. But productivity continued to increase even when conditions in the work environment declined. At this point, unable to account for the rise in productivity in less than optimal working conditions, Western Electric hired Elton Mayo to solve the puzzle. (Trice & Beyer, 1993, p. 24)

Elton Mayo was a faculty member at Harvard University when he was hired by Western Electric in Chicago to conduct what became known as the Hawthorne studies. Mayo did not agree with Taylor's theory of Scientific Management and developed his own organizational philosophy to counter it. (Wertheim, 2002, p. 3) Specifically, Mayo believed that human beings were interdependent creatures with behavior that is often shaped by social context and that "... motivation to work, productivity and quality of work are all related to the nature of the social relations among the workers and between the workers and their boss" (Handy, 1976, p. 156). The Hawthorne studies were conducted between 1924 and 1927 and, according to Trice and Beyer, represent "... the first systematic attempt to understand modern work organizations in cultural terms" (1993, p. 25). Mayo put together a team of researchers that included anthropologist W. Lloyd Warner, Fritz Roethlisberger (Mayo's student) and W.J. Dickson from the Western Electric Personnel Department. Warner designed the studies, and Roethlisberger and Dickson conducted them and were the primary authors of the study results. The findings of the Hawthorne Studies concluded: work was a group activity; the adult's social world was primarily about work

activity; a complaint was often a manifestation of a perceived disturbance in a person's status position; informal groups within the organization exercised strong controls over the productivity of individual workers; workers were not always rational and were motivated by many needs other than economics; there was not automatic correlation between individual and organizational needs; job satisfaction led to higher productivity; and, managers needed effective social skills as well as technical skills. (Grimes, 2002, p. 22)

The Hawthorne studies represented a significant break from the traditional theories of Taylor, Weber and Fayol. For the first time, workers as individuals with social and emotional needs were identified as important to the productivity of an organization. (Sashkin, 1981, p. 214) Roethlisberger and Dickson determined three kinds of social relations occurring within the study group: technical, social and ideological. Their account of these findings represents “... the first well-publicized cultural explanations for workers' behavior in the management literature” (Trice & Beyer, 1993, p. 25). Roethlisberger described their findings by saying:

People like to feel important and have their work recognized as important
... They like to feel independent in their relations to their
supervisors... They like to be consulted about and participate in actions
that will personally affect them. In short, employees, like most people,
want to be treated as belonging to and being an integral part of some
group. (as cited in Sashkin, 1981, p. 213)

Mayo was equally adamant about the importance of human relations in organizational functioning. He said, “When ‘work’ signifies intelligent collaboration in the achievement of a social purpose, ‘industrial unrest’ will cease to be” (Mayo, 1919, p. 63). Although the Human Relations approach to organizational theory described by Mayo, Roethlisberger and Dickson did not end up standing alone as the ultimate organizational theory, it provided a springboard for on-going behavioral science research into organizations and management. (Sashkin, 1981, p. 216)

Douglas McGregor: Theory X – Theory Y

Douglas McGregor, a psychologist, believed that “The essential task of management is to arrange the organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives” (McGregor, 1957, p. 26). He further expanded the Human Relations theory of organizations in his book, *The Human Side of Enterprise* (1957), in which he developed his theories on the behavior of individuals at work that he called “Theory X and Theory Y”. Theory X reflected a traditional, Freudian view in which people were presumed to be lazy, to hate work and avoid it at all costs, to have no ambition or initiative, to take no responsibility and to desire only security. According to Theory X, people must be “... coerced or bribed into working” (Trice & Beyer, 1993, p. 70). McGregor’s Theory Y, on the other hand, presumed the following: work was as natural as play, if the conditions were favorable; control and punishment were not the only ways to make people work; motivation occurred at affiliation, esteem, and self-

actualization levels, not just security and physiological levels; if a job was satisfying, then the result would be commitment to the organization; the capacity for creativity was spread throughout organizations; the average man learns, under proper conditions, to accept and seek responsibility; and, in most organizations, the intellectual capacity of most employees was only partially utilized. (Wertheim, 2002, p. 4, Grimes, 2000, p. 24)

McGregor based his work on the theories of Abraham Maslow that represent human needs in a hierarchical model. Maslow's assumption was that as one type of need is fulfilled, an individual progresses towards the fulfillment of the next category. Human needs were categorized as beginning with survival, then moving sequentially through security, social, esteem, and self-development needs. Following Theory Y, the result of a manager creating a work environment that meets employees' higher, self-actualizing needs would be a workforce that was motivated to achieve organizational goals as well as individual goals. (Grimes, 2000, p. 24, Trice & Beyer, 1993, p. 70)

McGregor saw Theory X and Theory Y as two very different managerial attitudes. (Grimes, 2000, p. 24) While he did not designate either theory as good or bad, more productive or less productive, it has been common that most scholars and practitioners have strong feelings about Theory Y management being better than Theory X. (Trice & Beyer, 1993, p. 70)

Theory Y has not been simple to implement and may not be appropriate in all circumstances. For Theory Y to work, the organizational situation must be one in which the employees are emotionally mature and positively motivated toward

their work; there exists the possibility of flexibility in how work gets done; and employees see their position in the management hierarchy. Management must also be persuaded that it has under-utilized the employees' intellectual capacity and be willing to invest the time and effort necessary to create the environment in which Theory Y can function. (Grimes, 2000, p. 24)

Rensis Likert: Participative Management

A weakness of McGregor's Theory X Theory Y was that it was a management theory only. It did not take into account changes in organizational infrastructure necessary to support managers' implementation of Theory Y. (Sashkin, 1981, p. 215) Rensis Likert, Director of the Institute of Social Research at the University of Michigan for 25 years, developed both an expanded management theory and a supportive organizational theory as well. In 1967 he stated:

The leadership and other processes of the organization must be such as to ensure a maximum probability that in all interactions and in all relationships within the organization each member, in light of his desires, values, background and expectations, will view the experience as supportive and one which builds and maintains his sense of personal worth and importance. (Likert, p. 47)

Likert, well-known for his now almost ubiquitous five-point "Likert Scale" to measure attitudes, developed a management system that expanded McGregor's Theory X Theory Y into a continuum of management behaviors that

ranged from a totally job centered perspective to a totally employee centered perspective. (Sashkin, 1981, p. 215) Likert described four categories of management behaviors: Exploitative, Benevolent Authoritarian, Consultative and Participative. (Likert, 1967, pp. 14-24) Exploitative Authoritarian, the management style reflected in Theory X and in Frederick Taylor's work, was characterized by top down communication, tightly held decision-making authority and motivation through fear and coercion. Benevolent Authoritarian was similar to Exploitative Authoritarian with some minor decision-making at lower levels and the added benefit of rewards as well as punishment. Pleasing the boss became highly important to employees who were likely to provide only the information the boss wanted to hear in order to avoid punishment and earn a reward. The next level of management, Consultative, was more reflective of Theory Y in that communication was more open and two-way. Employees were asked to contribute to discussions, but their opinions may or may not have been utilized. Final decisions were still made at the top of the organization and passed down the chain of command. The final type of management, and clearly the most effective in Likert's opinion, was Participative, in which employees worked in groups, had clear goals, were responsible for reaching their goals and were motivated by economic rewards based on goal achievement. Likert's research demonstrated that " ... groups where individuals feel they each have more influence tend to be more productive" (Handy, 1976, p. 124).

In addition to management systems, Likert also described an organizational structure that would support two-way communication and

participative decision-making. (Likert, 1961, p. 113) In Likert's model, supervision was a group effort in which supervisors and managers served as "link-pins" between the groups they supervised and the groups of which they themselves were members. This dual role provided the path for the two-way communication that was vital to the model. This model also implied that work gets done in organizations through "interlocking work groups", with individuals who are members of two different groups. (Mink et al. 1993, p. 224) Sashkin stated that, though the "link-pin" role was a minor modification in the traditional organizational structure, it was significant, as was Fayol's idea of an organizational gangplank, in that it provided a mechanism for shared participation and collaboration concepts central to the Human Relations school of thought. (1981, p. 216)

As complete as Likert's systems and principles were, there was no mention in his work of job design or job descriptions. This was a complete reversal of Taylor's focus on individual tasks. Sashkin (1981, p. 216) stated that many scholars and practitioners believed the absence of any reference to job design or technology represented a major flaw in Likert's work. Likert, trusting his research, believed the concepts to be irrelevant to organizations.

Fred Emery and Eric Trist: Sociotechnical Systems

The mining industry provided the inspiration for Emery and Trist's sociotechnical systems (STS) theory of organizations. (Handy, 1976, p. 399, Sirianni, 1995, p. 1) STS was based on the premise that "... the technical system used in an organization must fit or mesh properly with the social system if the

organization is to operate effectively” (Sashkin, 1981, p. 218). In 1949, Emery and Trist went to a coalmine in South Yorkshire, England, to observe work processes and their effects on productivity. Prior to 20th century technology, miners had worked in small, autonomous teams. By 1949, due to advances in technology that created processes known as “longwall mining” and continued adherence to Taylor’s Scientific Management’s focus on discrete tasks, traditional autonomous work groups were broken up and individual miners were made responsible for separate tasks. (Sirianni, 1995, p. 1) The same technologies that made longwall mining possible also created greater roof control, which in turn provided opportunities for “shortwall mining”. However, the one-man, one-task longwall work model was not effective in a shortwall situation. Miners requested permission to re-organize themselves back into work teams for shortwall work. Emery and Trist were struck with the workers’ understanding of what was needed to get the work created by the new technology done and the effectiveness of teams. Trist stated, “After going down into the coal mine this time, I came up a different man. I was certain that the things I observed were of major significance” (Sashkin, 1981, p. 218). The research of Trist and Emery, along with Ken Bramforth, demonstrated how changing work patterns to fit new technology could disrupt group relationships and productivity. According to Handy, “The design of the organization must therefore take into account the nature of the work as well as its people” (1976, p. 193).

Emery and Trist were associated with the Tavistock Institute for Social Research in London, a prestigious organization whose membership has included

such notable behavioral scientists as Wilfred Bion, Wilfred Brown, Elliot Jacques and Einer Thorsrud, among others. (Sashkin, 1981, p. 217) Researchers at Tavistock were influenced by the work of Kurt Lewin on small groups and group decision-making and by the open systems theory coming out of the field of biology. (Siranni, 1995, p. 2) According to Siranni, both Lewin's work in group decision-making and Bion's work in leaderless group techniques demonstrated the superiority of the democratic process for a number of group tasks, including the capacity for self-regulation. (1995, p. 3) STS identified three needs humans have regarding their work: a need for completing a whole task; an adult's basic need for autonomy or self-control; and, the need to have interpersonal contact integrated into the work processes. (Sashkin, 1981, p. 218) Sashkin has noted how these basic needs are in alignment with a human relations view of organizations, such as McGregor's Theory Y and Likert's Participative Management. The element that STS added to these earlier theories of organizations and management was that of including technology " ...as a major determinant of how the system should be socially organized" (Sashkin, 1981, p. 219). According to Sirianni (1995, p. 3), the only way that an organization's production process could be optimized was by an integrated fit between the technical and social systems within it, not the development of one system at the expense of the other. There has been no one organizational model that represents STS. It was indeed based on semi-autonomous groups, as described by Likert's System 4 - Participative Management, but the make up of the groups and the

organizational structure supporting them could vary widely from Likert's "link-pin" model. (Sashkin, 1981, p. 219)

Summary

In summary, organization and management theories evolved in the period from 1900 to 1980 from a focus on job design to a " ... comprehensive behavioral science theory ... " (Sashkin, 1981, p. 218), all with the goal of improving organization efficiency and productivity. From decade to decade, different aspects of organizational life were studied for their impact on the bottom line. Frederick Taylor looked at job design and elimination of human variation in work processes. Max Weber and Henri Fayol focused on organizational structure and management principles. George Mayo and the researchers of the Hawthorne Studies were the first to recognize the social aspects of work life. Douglas McGregor believed that a worker's satisfaction with his or her job directly impacted a company's bottom line: the greater the satisfaction, the higher the productivity. Likert looked at a number of things, including management style, management and supervisory structures, and workers' perceptions of their work environment. Finally, Emery and Trist's theory integrated the technical aspects of the work with the social needs of the workers.

Theories on organizations and how best to manage them have continued to evolve, with systems theory, chaos theory and complex adaptive systems being prime examples of late 20th century thought. However, for the purpose of this study, the review of literature will now focus on two specific areas of organizational research: organizational climate and organizational culture.

Denison has made a compelling case for the integration of these two constructs into a single organizational phenomenon he referred to as “social context”. (1996, p. 646) These aspects of organization life will be reviewed in the following sections.

Climate

There have been many definitions of organizational climate since the subject was first mentioned in the literature in the late 1960’s. Tagiuri defined climate as:

...a relatively enduring quality of the internal environment of organization that (a) is experienced by its members, (b) influences their behavior, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization. (1968, p. 27)

Steers (1979) used the term “personality” in reference to climate, Evan (1968) called it “character” and Pritchard & Karasick (1973) talked about “psychological atmosphere”. (Ashforth, 1985, p. 837) Many authors acknowledged the lack of consistency in the way climate has been defined by researchers. (Ashforth, 1985, p. 837, Glick, 1985, p. 601, Fink & Chen, 1995, p. 495, Toulson, 1994, p. 456) Some have seen climate as a set of objective characteristics of an organization (Campbell, Dunnette, Lawler, & Weick, 1970, Likert, 1961, 1967), some focused on the subjective perceptions employees have about their organization (Tagiuri & Litwin, 1968), some looked at the influence of environment on employees’ behavior (Litwin, 1968) and some have examined

the formation of organizational climate. (Ashforth, 1985, Poole, 1985, Schneider, 1985, Schneider & Reichers, 1983) According to Denison, “The central issue of whether climate is a ‘shared perception’ or a ‘shared set of conditions’ has remained a basic issue of debate in the climate literature” (1996, p. 623).

There have been many organizational attributes studied by climate researchers. Altman stated that more than 460 elements of work characteristics have been identified in recent literature. (2000, p. 31) Likert’s *Profile of Organizational Characteristics* listed elements within eight categories of characteristics: “leadership processes, motivational forces, communication process, character of interaction-influence process, decision making process, goal setting, control processes and performance goals and training” (1967, pp. 197 – 211). Litwin (1968) offered nine dimensions of organizational climate: “... structure, responsibility, reward, risk, warmth, support, standards, conflict and identity” (Denison, 1996, p. 623). The factors examined by Schneider and Bartlett were managerial support, intra-agency conflict, managerial structure, new employee concern, agent independence and general satisfaction. (1970, p. 495) The following examples of survey items were included in Schneider and Bartlett’s study conducted in life insurance organizations:

Managers take an active interest in agents as individuals; managers are willing to help agents solve personal problems; teamwork among agents is more important to the agency than individual agent ambition; agents receive sufficient field training prior to being left on their own; and agents have a wide range of interests. (pp. 496 – 497)

Climate has usually been assessed from questionnaire responses and reported as an aggregated score of individuals' opinions about certain characteristics within their work environment.

In climate studies, researchers were looking for relationships between organizational elements and employee productivity. They asked questions like "How does an employee's satisfaction with the organization impact organizational productivity?", or "How are job safety and absenteeism related to supervisor effectiveness?" The goal of climate research was to discover causal relationships between elements that can be manipulated in order to improve organizational productivity. (Fink & Chen, 1995, p. 495, Toulson & Smith, 1994, p. 454) According to McNabb and Sepic, results of climate research can be interpreted as the level of employee satisfaction and as an indicator of management effectiveness. (1995, p. 374) The climate of an organization has exerted a strong influence on its members, in either a positive (Turnipseed, 1988) or negative (Reichers and Schnieder, 1990) manner. (McNabb & Sepic, 1995, p. 374)

Climate research was based on the work of Kurt Lewin, specifically his research into experimental social climates. (Glick, 1985, p. 601) According to Lewin's work, behavior was a factor of the interaction of an individual with his or her environment. Therefore, "... the person must, by definition, be analytically separate from the social context" (Denison, 1996, p. 635). Denison went on to state that in climate research, climate was seen as an element created and manipulated by management. Employees were usually the subjects of such

research and quantitative data were gathered by survey and aggregated for the purpose of generalization across different settings. According to Denison:

Climate ... portrays organizational environments as being rooted in the organization's value system, but tends to present these social environments in relatively static terms, describing them in terms of a fixed (and broadly applicable) set of dimensions. (1996, p. 624)

Thus climate was often considered as relatively temporary, subject to direct control, and largely limited to those aspects of the social environment that were consciously perceived by organizational members. (1996, p. 624) However defined, there was nothing inherently positive or negative about an organization's climate. It only took on value when it was related to specific desired outcomes. (Toulson, 1994, p. 454)

Culture

Organizational culture has been defined as "... the deep structure of organizations which is rooted in the values, beliefs, and assumptions held by organizational members" (Denison, 1996, p. 624). Culture was identified as giving meaning to everyday organizational life and providing people with an accepted way of behaving. (Trice & Beyer, 1993, p. 2) According to Stetzer, organizational climate has told us what organizations do and organizational culture why they do it. (1997, p. 252) Research on organizational culture has early roots in the 1930's with the Hawthorne Studies conducted at Western Electric and in the 1940's with research done at Sears Roebuck. (Trice & Beyer,

1993, p. 26) Both studies utilized long-term observation and extensive interviewing, techniques which were cornerstones of anthropological research. While some culture research continued over the years, it was not until the publication of two influential books in the 1980's, *In Search of Excellence* by Peters and Waterman and *Theory Z* by Ouchi, that studying organizational culture caught the attention of managers. (Trice & Beyer, 1993, p. 32)

Like climate, the concept of organizational culture has had many different definitions. Schein defined culture as:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (1992, p. 12)

Nadler's definition was "... a set of commonly shared values and beliefs, which influences the behavior of people, and is reflected in work practices – how we do things here" (1995, p. 152). According to McNabb, organizational culture has been "... fundamental to all actions, operations and relationships in an organization [and it] ...sets both the limits and direction of movement of behavior in the organization: culture dictates acceptance of all organizational change" (1995, p. 374). And deCarufel stated that culture "... can be defined as a particular set of shared values and beliefs that interact with an organization's people, structures and systems to define work-related norms for behaviors" (1994,

p. 16). Wilson likened organizational culture to an individual's personality (1989, p. 91), Kreps used the term "underlying logic" (1984, p. 2), and Krets de Vries and Miller referred to a group's "shared fantasies". (1992, pp. 47 – 48) As can be seen from this short list of definitions, "Organizational culture historically has defied theoretical precision and rigor" (Wiener, 1988, p. 534).

The interest in studying the concept of cultures in organizations began as a reaction to the reigning scientific paradigm of organizational research. (Meyerson, 1991, p. 256) Initially, the distinction between climate and culture was easily seen. (Schwartz & Davis, 1981, p. 32, Trice & Beyer, 1993, p. 19) The methodology of cultural research was qualitative and the goal was to examine in depth and describe in detail unique settings. Climate research, on the other hand, utilized quantitative methods in order to create generalizations that were applicable across different settings. (Denison, 1996, p. 621) Understanding the culture of an organization required knowledge of how social systems had evolved over time. (Pettigrew, 1979, Rohlen, 1974, Schein, 1985) Understanding the climate of an organization was more a function of measuring the impact of various organizational processes and systems on groups and individuals at a specific point in time. (Joyce & Slocum, 1984, Koyes & DeCotiis, 1991) Culture studies looked for deep meaning and assumptions underlying observable behavior (Kunda, 1992, Schein, 1990) as revealed by the native's point of view. Climate studies, on the other hand, typically placed greater emphasis on organizational members' perceptions of observable practices and procedures that are closer to the surface of organizational life (Guion, 1973, James & Jones, 1974) and "... the

categorization of these practices and perceptions into analytic dimensions defined by the researchers” (Denison, 1996, p. 622).

Examples of research on organizational culture reflected long-term studies conducted on site and involving traditional anthropological fieldwork techniques such as direct observation and multiple interviews. Contributions to the literature included book-length ethnographies by such authors as Jacques on factory culture (1951), Rohlen on the culture of a Japanese white-collar organization (1974) and Kunda’s work with engineering cultures (1992). In addition to books, many article-length cultural studies have been published. A few examples include an early work by Whyte, published in 1949, that described the social structure of a restaurant, a 1975 study by Van Maanen entitled *Police Socialization: A Longitudinal Examination of Job Attitudes in an Urban Police Department*, and Barley’s work in 1983 that analyzed the semiotics of the organizational and occupational cultures of funeral parlors. (Denison, 1996, p. 622)

With such clear distinctions in methodology, theoretical perspective, level of analysis and research goals, the two constructs - organizational climate and organizational culture - seemed independent, if not opposite of each other. Initially this was the case, but the lines separating the two types of studies have blurred over the past few years, making it more and more confusing to determine exactly what type of research is being conducted. (Glick, 1988, p. 133, Stetzer, 1997, p. 252) For one thing, there has been a growing body of work in cultural research that includes quantitative methodology in the gathering of data. Additionally, aspects of organizational culture have been defined in many studies

in much the same manner as the various dimensions and factors used in climate research. (Denison, 1996, p. 620) Denison described several climate and culture studies with seemingly identical characteristics:

Why is it, for example, that when Chatman (1991) asked questions about risk taking as an organizational trait, the field of organizational studies labeled it as ‘organizational culture,’ yet when Litwin and Stringer (1982) asked similar questions about risk taking, that the field labeled it as ‘organizational climate’? Why is it that when Joyce and Slocum (1982) examined person-environment fit, this was perceived as a ‘climate study,’ but when O’Reilly, Chatman and Caldwell (1991) examined person-environment fit, it was called a ‘culture study’? (1996, p. 620)

The answer to the questions above may lie in the work of authors who are interested in studying the integration of the concepts of climate and culture. (Denison, 1996, Pettigrew, 1990, Reichers & Schneider, 1990, Schneider, 1985, 1990) This integration, referred to as “social context” by Denison (p. 646), will be examined in the following section.

Social Context

Climate research has focused on specific situations and how these situations impact the attitudes, feelings and actions of the people involved in them. It assumes that those with power and influence in the organization can manipulate situations to create different outcomes. Culture studies have looked at environments in which the context has evolved over time. These environments

may contain many different situations, but in general there has been a sense of history and complexity that all members of the organization share. Culture has been seen, therefore, as relatively immune to direct manipulation. (Trice & Beyer, 1993, pp. 393 – 394) Even with different methodologies, theories and epistemologies, Denison stated that these two apparently diametric traditions of research can be viewed as differing perspectives of the process of “ ... the creation and influence of social contexts in organizations” (Denison, 1996, p. 646). He defined social context as “... the internal social psychological environment of organizations and the relationship of that environment to individual meaning and organizational adaptation” (p. 625).

Other researchers seemed to echo Denison’s theme of integration. The culture research of Chatman (1991), and O’Reilly, Chatman, & Caldwell (1991), showed the influence of Lewin’s assumption that person and situation can be analyzed separately, while the climate research of Ashforth (1985), Poole (1985), and Schneider and Reichers (1983) examined context as well as situation. (Denison, 1996, p .645)

SUMMARY

The purpose of this research study was to examine the way employees experienced a change in the social context of their organization when the leadership changed. There were elements of historically based context and specific situations described, reflecting both the culture and climate of the organization. Quantitative and qualitative measures, detailed in the following chapter, were used to create as complete a picture as possible of a living, dynamic

system of people, structures, policies, politics, feelings and relationships. In the words of W. F. Whyte (1949):

So let us have more individual case studies, but let us also place the individual in the social system in which he participates and note how his attitudes and goals change with changes in the relations he experiences. And let us have more quantitative work, but let us at last bring it to bear upon the heart of sociology, measuring the relations among individuals in their organizations. (p. 310)

CHAPTER THREE

Methodology

INTRODUCTION

In an effort to further understand the dynamics that influence the viability of public sector organizations, the focus of this study was the examination of one public sector agency over the period of time in which two different leaders were in charge and the employees' perceptions of how the social context of their organization changed following the change in leadership. This chapter describes the study methodology, the research design, the selection and appropriateness of a qualitative paradigm for the study, and case study methodology. Included are sections addressing the subject organization, identification and selection of participants, data collection and data analysis. This chapter also addresses the issues of trustworthiness and credibility and concludes with a discussion of the methodological limitations of the study.

RATIONALE FOR METHOD

According to Marshall and Rossman (1989), there are four reasons for doing research: to explore, to explain, to describe or to predict. (p. 15) This study describes aspects of organizational life within a public sector organization before and after changes in leadership. The individuals who were employees of the organization during the time being studied have provided the descriptions used in

this study. The questions central to this study and the nature of the data collected have supported a qualitative research paradigm.

Merriam describes nine points of comparison between quantitative and qualitative research, including the focus of the research, the goal of the investigation, sample selection and data collection. (1998, p. 9) In quantitative research, the focus of the research is discovering some quantity (how much or how many) and the goal of the study is to predict, to control or to test hypotheses. The sample used in quantitative research is large, random and representative of an entire population. Data are collected by inanimate instruments, such as tests, surveys, scales or questionnaires, presumably free of researcher values and bias. In qualitative research, the focus of the research is the quality or nature or essence of something and the goal is to understand, to describe, to discover the meaning of something or to generate hypotheses. The study sample is small, non-random and purposeful, and the researcher, through interviews, observations or document examination, is the primary instrument of data collection.

As an employee of the subject organization during the time frame of this study, my position provided close involvement with both leaders and with the career public sector executives and managers whose stories form the basis of this case study. I experienced many of the same incidents and feelings they described. It was my curiosity about what I felt was happening at the agency that led me to this research topic. My first question was “Did others feel the way I do about what we were experiencing?” When this initial inquiry was informally confirmed, I decided to try to describe more deeply and completely what had

occurred, just what it took to cause so much organizational change. It seemed important that policymakers understand the consequences of their decisions when appointing individuals to leadership roles in public sector organizations. The organization went from a dynamic, generative system to a reactionary, disturbing place to work. The goal of this investigation was to describe what happened in an effort to identify the elements or experiences that created both the positive and the negative change. In order to accomplish this, it was necessary to hear what others had to say and find the patterns among the stories.

Merriam has given four characteristics of qualitative research that clearly illustrate why the qualitative paradigm is the appropriate research methodology for this study. (1998, p. 6) First, the primary philosophical assumption about qualitative research is that reality is constructed by those who experience it and the researcher's job is to understand the meaning that people have constructed. In this study, the data were drawn from the stories that people told to describe their experiences. Every story is different and every story is the truth for the person telling it. There is no one absolute truth to be told about the time frame in which the organization was studied.

"The second characteristic of all forms of qualitative research is that the researcher is the primary instrument for data collection and analysis" (Merriam, 1998, p. 7). In this study, the primary data were collected through interviews and focus groups, all conducted by the researcher. This means that all the qualitative data were mediated through a human instrument that had certain characteristics of its own. Unlike the instruments of the quantitative paradigm, such as surveys or

questionnaires, the qualitative researcher has the capacity to respond to context, to adapt techniques to fit the occasion and to expand the planned methodology to take into account data observed through sensitivity to nonverbal actions. The qualitative researcher can process data immediately and can explore responses different to what was expected. In fact, the researcher goes into data collection with no clear, set expectation of what will be found. The researcher must be flexible and responsive to what is discovered along the way.

The third characteristic of qualitative research is that it nearly always involves fieldwork. (Merriam, 1998, p. 7) It is important that the researcher spends time in the setting for the study, in this case, a specific public sector organization. (Bogdan & Biklen, 1992, p. 79, Glaser & Strauss, 1999, p. 227, Patton, 1990, p. 10) Firsthand observation of activities and experiences and even participation in the activities gives the qualitative researcher, sometimes referred to as a “participant-observer” (Patton, p. 10), the understanding and insight that leads to the holistic analysis that is ultimately the fruit of a qualitative study. I was employed by the subject organization during the timeframe of this study and involved with the other study participants in the events that took place. It would be impossible for me to separate myself from the subject of this research. My experience is what led to the research questions and the design of the study.

The final characteristic that Merriam (1998) uses to define qualitative research is that it primarily involves inductive reasoning. (p. 7) This type of research builds abstractions and constructs concepts instead of testing hypotheses or theory. Qualitative studies are undertaken due to a lack of existing theory or

adequate explanation for a phenomenon. Observations and intuition lead to new findings and new theories. Unlike deductive quantitative researchers who “... hope to find data to match a theory, inductive researchers hope to find a theory that explains their data” (Goetz & LeCompte, 1984, p. 4).

CASE STUDY METHODOLOGY

The methodology, or “strategy of inquiry” (Denzin & Lincoln, 2000, p. 371), elected for this study was case study. Case study is defined as “... the study of a single entity or phenomenon that is bounded by time and activity” (Creswell, 1994, p. 12). There is some confusion in the literature as to whether “case study” refers to an actual methodology or research process (Creswell, 1994, p. 12, Merriam, 1998, p. 27), an end product (Merriam, 1988, p. 21), or an object of study. (Merriam, 1998, p. 27, Strake, 2000, p. 435) For the purpose of this study, the term case study will refer to the research methodology used and the end product of the research.

Merriam (1998, pp. 29 – 30) identifies three special characteristics of case studies. They are particularistic, descriptive and heuristic. Particularistic refers to a focus on a single thing; an event, a specific situation, a unit of time or an organization. Merriam states that because of this singular focus, case study research is especially useful in studying practical, everyday problems. (p. 29) The particularistic nature of case studies has three primary aspects: “It can suggest to the reader what to do or what not to do in a similar situation; It can examine a specific instance but illuminate a general problem; It may or may not be influenced by the author’s bias” (Olson, as cited in Merriam, 1998, p. 30). This

study has been undertaken with the hope that it will influence policymakers' decisions about future political appointments; it is a detailed description of a single organization; and its author acknowledges her own bias as a member of the organization under study. According to Shaw, case studies are "... problem centered, small scale, entrepreneurial endeavors" (1978, p. 2). The subject of this research was a single public sector organization and the specific problem being studied was a change in social context that occurred in a timeframe delimited by the consecutive terms of two leaders.

The descriptive aspect of a case study refers to the nature of the end product. A case study results in a detailed, literal description of the subject. "Case studies include as many variables as possible and portray their interaction, often over a period of time" (Merriam, 1998, p. 30). The primary data gathered for this study are the product of individual and group interviews in which participants described the social context of their organization during the study timeframe. The data displayed in direct quotes and personal stories were validated by the results of quantitative data gathered in a series of biannual climate surveys. The descriptive aspects of case studies can: illustrate the complexities of a situation; use the advantage of hindsight; demonstrate the influence of personalities and the passage of time on a situation; and, present information from a variety of viewpoints. (Olson, as cited in Merriam, 1998, p. 30)

The heuristic nature of case studies refers to the reader's accrual of new knowledge about the subject. Strake (1981) states that "Previously unknown

relationships and variables can be expected to emerge from case studies leading to a rethinking of the phenomenon being studied. Insights into how things get to be the way they are can be expected to result from case studies” (as cited in Merriam, 1998, p. 30).

Added to the reader’s accrual of new knowledge as the study emerges, case study methodology also allows for the emergence of knowledge for the researcher as well. The emergent nature of case study research requires flexible methods that allow the story of the “case” to evolve as data are gathered. (Marshall & Rossman, 1989, p. 45)

Olson describes four aspects of the heuristic nature of case study methodology: an explanation of why something happened; an explanation of innovations that succeeded or failed; an examination of alternatives not chosen; and increased potential applicability by being able to evaluate, summarize and draw conclusions. (as cited in Merriam, 1998, p. 31)

STUDY SETTING

The subject for this study was a large health and human service public sector organization located in the Southwestern United States. During an eight-year period, leadership of the agency changed three times. Leader A served the organization from year one through year four of the study timeframe, and Leader B served from year six to year eight. In between the terms of Leader A and Leader B, an agency executive served as Interim Leader for a year.

The author of this study was an employee of the agency during the terms of both Leader A and Leader B. She worked directly with both leaders and was

involved with all study participants in various organizational activities. In order to gain entry, she requested permission from the Interim Leader to begin documenting the effects of the change in leadership on the climate and culture of the organization as experienced by agency employees. She was granted permission to conduct the study and was given access to speak with any member of the organization.

STUDY PARTICIPANTS

Information for this study was gathered from three sources: the researcher, a deliberately chosen set of agency employees and data collected from agency-wide attitude surveys. As researcher-participant, I was the first participant in this study. My interest in conducting this study came as a result of my own personal experience and direct observations. My responsibilities and activities throughout the agency gave me access to many employees and I was able to see and hear a pattern of thoughts and feelings, first under Leader A and then under Leader B.

Purposive, or criterion-based, sampling was used to identify study participants who would participate in individual interviews and focus groups. (Merriam, 1988, p. 48) The first criterion was service under both leaders and the second criterion was level of authority within the agency. The ten individuals who participated in this study all served at least one year under each leader and worked either in management or executive staff positions. Their average tenure in state government was 19.5 years. The final sample criterion was the degree of freedom subjects felt in talking about their experiences. Eight of the study participants were no longer working in the agency. Six were retired and two were

working for other agencies within the state. These eight individuals were in no position to experience any potential negative reaction to their participation in this study. In addition to the researcher, two of the study participants remain employed at the agency. In order to safeguard the identities of study participants, most stories told reflect a compilation of remarks rather than a direct quote of any individual.

In selecting study participants, the researcher made an attempt to identify individuals with differing viewpoints in order to present a balanced view of the agency during the timeframe of the study. Everyone who was approached described experiences similar to those recounted by study participants. This in no way implies that there are no opinions different from those described in this study.

Patton states, “There are no rules for sample size in qualitative inquiry” (1990, p. 184). Determining whom to include in a study is dependent, along with other things, on what is at stake and who has credibility. The researcher believed safeguarding study participants’ identities to be of primary importance and that those who worked closest with both leaders would have the greatest credibility. It was for these two reasons that the ten study participants were chosen.

QUALITATIVE DATA

Data Collection

The first data collected were from my own personal experiences, direct observations and conversations with agency employees, including both leaders, throughout the eight-year timeframe of the study. The information collected informally during this time presented a remarkably consistent picture. Creswell

(1994) calls this type of data collection “participant as observer”, in which my role as researcher is secondary to my role as participant. (p. 151) The participant-observer has the advantage of being able to experience things firsthand and to see nuances that might not be noticed or reported by someone outside the system being studied.

Qualitative data were also collected using a formal research plan that included face-to-face individual and group interviews. Interviews allowed the researcher to get a historical perspective of the subject and to control the issues discussed. (Creswell, 1994, p. 151) Ten employees were interviewed. Seven participants were interviewed individually. One group interview was conducted with four participants. One participant contributed both an individual interview and participated in the group session.

Both the group and individual interviews were loosely structured, featuring open-ended questions that allowed for researcher flexibility in exploring individual and novel input. According to Merriam (1989), unstructured interviews can be used when the researcher does not know enough about a situation to formulate the precise questions used in a structured interview format. (pp. 74 – 75) In this study, I chose a loosely structured, informal interview process for exactly the opposite reason. As a participant-researcher, I was intimately familiar with the subject organization, both leaders and the opinions of my co-workers and did not want this personal knowledge and perception of knowledge to deliberately drive the study in any particular direction. I wanted the participants to speak for themselves.

Participants were asked to think back to the time when they first worked with Leader A. Most were already working in the agency when Leader A was appointed, but some came on after he was there. Participants were then invited to talk about what they remembered. The flow of thought and information was strikingly similar in all interviews. After describing the social context of the agency under Leader A and the Interim Leader, participants moved naturally into describing the impact of Leader B's term.

Data Recording

Qualitative data were recorded in field notes and interview transcripts. As a participant-observer I kept a log of my observations, experiences and personal correspondence after Leader B came to the organization. I recorded data at least weekly, and sometimes daily, during the course of Leader B's term. Notes included descriptions of meetings, transcripts of personal conversations and sections of personal electronic mail messages. This journal was kept electronically, using standard word processing software. The format of the document included a wide left margin on each page. Observations and transcripts were documented on the right side of the page and coding notes were kept on the left side. The left margin was also used to record demographic information about the entry, including time, place and participants. Participants were not identified by name in order to maintain confidentiality.

The formal individual and group interviews were tape-recorded and a complete transcript of each interview was typed. Study participants were allowed to edit the original transcripts. Once the transcript had been edited, the tapes were

destroyed to preserve the confidentiality of the participants. Interview transcripts were documented, like the earlier field notes, with a wide left margin for coding purposes. Included in the left margin were personal observations and descriptions of non-verbal behaviors that occurred during the interviews.

Data Coding

Marshall and Rossman (1989) have identified five steps in the data coding and analyzing process: "... organizing the data; generating categories, themes, and patterns; testing the emergent hypotheses against the data; searching for alternative explanations of the data; and writing the report" (p. 114). This five-step model of data management was followed for this study. Data coding began with the process of keeping field notes, and involved identifying the concepts indigenous to the data. Notes and transcripts were initially organized chronologically, as they were collected, and then categorized by patterns of words and finally categorized by patterns of meaning. Thus, data collection, coding and, ultimately, data analysis were done simultaneously in an on-going and iterative process of recording, reading, coding, recording, reading, re-coding, re-reading, re-coding and so on. According to Patton, this created an inductive process that involved the "... elucidation of key phrases or terms ..." used by study participants. (1990, p. 390)

Patterns of meaning emerged from the data in pairs. The first pattern was the perspective of the speaker. Participants spoke specifically about themselves and about the organization. The second pattern described both behaviors and feelings and the third pattern attributed either a generative impact or a destructive

impact to the stories told. These concepts were simply coded as O for organization, I for individual, B for behavior, F for feelings, G for generative impact, and D for destructive impact. Data bits were associated with a particular leader by coding LA for Leader A and LB for Leader B. The letters were combined to categorize elements of the data and were recorded in the wide left margin of the field notes and the interview transcripts. For example, the statement, “I am just going to lay low, keep my head down and try to survive this nightmare”, was coded as IBD - LB. The statement, “[The agency] made connections with external partners that had never before been considered”, was coded OBG -LA.

Data Analysis

Data were analyzed in this study using the constant comparative method of quantitative data analysis developed by Glaser and Strauss. (Glaser & Strauss, 1999, p. 105, Merriam, 1998, p. 159) This method involved coding each data element by comparing it with previous elements, both within a category and across categories. This was step three in the Marshall and Rossman model above: testing the emergent hypotheses against the data. Study data were analyzed as they were collected and coded and re-analyzed as new data were added. Once the six patterns of meaning were identified, separate word processing files were created for each. All data were initially recorded and coded in the main file. Data elements reflecting the six patterns were copied from the main file into as many of the appropriate sub-files as possible. (Glaser and Strauss, 1999, p. 105) The act of moving data from the main file into a sub-file reduced the seemingly

overwhelming amount of data collected to a more or less organized set of interconnected themes.

Trustworthiness and Credibility

Internal validity has been a measure of how accurately research reflects reality. It can be demonstrated by length of time spent at the study site, member checks, peer examination, concurrent validity, and a clarification of researcher bias. (Glesne & Peshkin, 1992, pp. 146 – 147, Merriam, 1998, p. 204) As a researcher-participant, the length of time I spent at the subject organization was both a good measure of internal validity and the basis for researcher bias. I worked in the subject organization for over 10 years and had job responsibilities that involved working on projects for both leaders and the agency senior staff. This familiarity allowed me easy access to key study participants, all of whom know me professionally. Everyone I approached expressed an interest in participating in the study; no one declined. My tenure with the agency also shaped my knowledge of the subject and sparked my interest in studying it. In this regard, the same experience that facilitated the data gathering process was also the source for researcher bias. I was, and remain, part of the system under study and as such cannot separate my own experience, perceptions and feelings from the findings. The case study resulted in a picture of an organization during a specific time and under specific circumstances. My membership in the organization and my relationships with study participants formed the lens through which that picture was taken.

For member checks, a group of the study participants were asked to read the initial data coding and analysis in order to verify its validity. This process was done several times during the writing of the case study. With each review, participants added more detail to the data. In addition, three colleagues, one of whom is a tenured professor who teaches research methodology, conducted peer examinations of the study. As with the member checks, peer examination was an ongoing process throughout the study.

Establishing concurrent validity of data can be accomplished by using multiple sources of data or multiple methods of confirmation in order to assure internal validity. According to Glesne and Peshkin (1992), without multiple sources to provide data verification "... it is sometimes difficult to know how much of what researchers see is a product of their earnest but unconscious wish to see it so" (p. 147). The data used in this study has come from personal experience, study participant interviews and four iterations of an organization-wide, biannual employee attitude survey. The combination of qualitative and quantitative data provided the concurrent validity needed to demonstrate convergence of results. (Creswell, 1994, p. 175)

QUANTITATIVE DATA

Data Collection

survey background

Concurrent validity of the qualitative data collected for this study was accomplished by analyzing the results of four iterations of an employee attitude survey conducted biannually in the study organization. Designed to measure

organizational climate, this survey, in one form or another, has been conducted in state agencies for over twenty years. It was originally commissioned by the state's governor as an instrument for gathering information about how state employees felt about their jobs in state agencies. Designed and implemented by faculty members in the School of Social Work at The University of Texas at Austin, the survey was initially a paper and pencil instrument called the *Texas Employee Attitude Survey*.

In the early 1990's, the survey was updated with new constructs and questions. It was also converted to an optically scanned instrument that greatly decreased the lag time between data gathering, analysis and publication of results. Renamed the *Survey of Organizational Excellence* (SOE), the survey items now focus on identifying areas of organizational strength and weakness. It is capable of producing both over-time quantitative data for trend analysis and benchmark data for organizations of similar size and mission. (Landuyt, 1999, p. 62) The study's subject organization has participated in the survey from its inception. Agencies, which must pay a fee for each employee surveyed, have the option of surveying their entire population or choosing a random sample of employees. The subject organization has for many years participated at 100%.

survey process

The survey was designed to take an employee about 30 minutes to complete and respondents were encouraged to complete the questionnaire while at work. Employees were concerned about the confidentiality of their responses, even though there has never been an incident of an employee being identified by

his or her responses, much less any report of retaliation for what was reported. Each employee received a copy of the survey, along with a return envelope and a letter from the agency leader encouraging their participation. They had the option to complete the survey either on-line or by filling out a paper version of the questionnaire. If the paper form was used, employees returned it to The University of Texas via interagency mail or through the U.S. Postal Service. Each questionnaire contained a unique code that served to mitigate against duplication of forms as well as assuring response validity. (Landuyt, 1999, p. 65) Every effort was made to assure participants of the confidentiality of their responses. Employees frequently called the SOE Office at the School of Social Work to be reassured that no one from the agency would see the raw data. Being able to talk to a “live” person went a long way toward making people comfortable.

survey design

The SOE was designed to elicit a broad array of information about the organization and about the respondent. In order to maintain confidentiality, data are not reported for cells with fewer than five responses. There are five sections in the survey. The first section records demographic data about the respondent. Categories of data in this section include age range, salary, supervisor or non-supervisor status and specific area within the organization.

The second section contains questionnaire items covering 20 organizational constructs categorized into five workplace dimensions. Respondents are asked to describe, using a five-point Likert scale, the degree to which they are satisfied with various elements within their organization as a

whole. In section three of the SOE, respondents are asked similar questions as in section two, except the focus of their satisfaction is their immediate workgroup. Section four contains questions asking employees to rate their organization's performance over time. Section five is made available to each organization participating in the survey as an opportunity to ask their employees 20 questions unique to their agency.

workplace dimensions and constructs

Table 3.1 describes the workplace dimensions and survey constructs that comprise the SOE.

Table 3.1 Survey of Organizational Excellence: Dimensions and Constructs

Workplace Dimensions	Constructs
Organizational Features	Change Oriented Goal Oriented Holographic Strategic Quality
Work Group	Supervisor Effectiveness Fairness Team Effectiveness Diversity
Information	Internal Availability External
Personal	Job Satisfaction Time and Stress Burnout Empowerment
Work Setting	Fair Pay Physical Environment Benefits Employee Development

Lauderdale has provided the following descriptions of the dimensions used in this study. (1999, pp. 56 - 74) Organizational Features address the way the agency interfaces with its external environment. It is an internal evaluation of the organization's ability to assess environmental changes and make appropriate adjustments. This dimension includes an assessment of the quality of relations the agency shares with the public.

The Work Group dimension describes an employee's activities within his or her own immediate work area. Factors in this dimension concern how employees interact with each other, their supervisor and other agency employees outside their area.

The Information dimension assesses the consistency and structure of the flow of communication throughout the agency. It measures how employees perceive the degree to which organizational communication is directed toward work concerns. It is related to how focused, available and effective communication is.

The Personal dimension of the SOE is related to how much employees are internalizing organizational stress and the extent to which debilitating social and psychological conditions appear to be developing at the individual level. This dimension assesses how the interface between home and work affect job performance and organizational efficiency.

The final dimension, Work Setting, was not included in this study. It contains the survey constructs on which the leader of a public sector organization has the least effect.

validity and reliability

When the SOE was redesigned in the early 1990's, a detailed development protocol was created to guide the process. (Lauderdale, 2000, p. 11) Planning meetings, focus groups and pre-tests were utilized to revise existing survey items and streamline data collection, analysis and reporting. Several state agencies participated in more than 20 pre-tests of the new instrument. According to Lauderdale, "These pre-tests helped to ensure readability, reliability of scales and items, reasonableness in terms of time required to take the survey, and appropriateness of content and language of every item" (2000, pp. 12 - 13).

Every item in the survey, as well as the entire survey itself, had a Cronbach's Alpha of at least .85. "Generally, a Cronbach's Alpha value of .60 or greater is considered necessary for internal item consistency" (Landuyt, 1999, p. 64). Criterion validation of the instrument was accomplished through comparisons with similar instruments. Convergence was shown on such scales as Maslach's Burnout Inventory and Dean's Alienation Scale. (Lauderdale, 2000) A review of the current literature on quality, effectiveness and organizational excellence was reflected in survey items, providing face validity.

Informally, concurrent validity of survey results was established for each iteration of the survey by conducting focus groups within the agency. After initial survey findings were reported, a random sample of agency employees representing each functional area of the agency was chosen to participate in a focus group to review survey findings. Because many of the items within the SOE specifically related to the nature of agency management, two sets of focus

groups were held for each functional and geographic area; one group with supervisors and managers and one group with employees below the level of supervisor. Focus group participants were given the survey results for their area and the aggregate results for the entire agency. While often commenting on the specific wording of survey questions or on some aspects of the survey process, every member of every focus group held validated the findings of the survey. Focus group results were reported to agency management when the final SOE results were presented.

Data Analysis

Results from the four iterations of the Survey of Organizational Excellence that occurred during the eight-year timeframe of the study were analyzed. Specifically, the Workplace Dimensions of Organizational Features, Work Groups, Information and Personal were compared for the subject agency and its benchmarks. Benchmarks included state agencies of similar size and agencies of similar mission. Data from survey dimensions were charted over the timeframe of the study and trends were identified.

LIMITATIONS OF THE METHODOLOGY

The primary limitation of the methodology used in this study was the role of the researcher as participant-observer. Having worked in the subject organization during the same timeframe and in the same circumstances as the study participants, I had my own opinions, perceptions, feelings and experiences that acted as filters for every process in the methodology. In order to mitigate any unconscious attempt to shape participants' stories, I utilized an unstructured, loose

interview process that did not pre-determine what participants would discuss. Member checks served to validate data interpretations as they emerged.

The sample selection was purposeful, intended to identify those with the closest relationships with both leaders. This type of sampling was important for generating the level of detail needed for a case study. (Merriam, 1998, p. 61) A small number of participants who had worked at least a year for each leader were selected for this study. The sample did not include everyone who worked for both leaders. Quantitative survey data were analyzed to substantiate the qualitative findings.

The external validity of this study was limited by the fact that it is a study of a single organization. The purpose of the study was to explore and explain, not control and predict.

SUMMARY

The purpose of this study was to examine the change in the social context of an organization when leadership changed. A combination of qualitative and quantitative methods was employed to provide the stories used to build the case study. Internal validity derived from the iterative process of data coding, data analysis and frequent member checks.

To illustrate the social context change, the following chapter will describe the subject organization during the timeframe of the study. In it, the stories told by study participants are related and connections are revealed between a change in leadership and a change in the social context of the organization.

CHAPTER FOUR

Case Study

INTRODUCTION

Government is big business. In the United States alone there are over 80,000 governments: one federal government, 50 state governments and scores of local entities, including cities, counties, water districts, school districts and transportation districts. (Osborne & Gaebler, 1992, p. xxi) Government employs more than 15 million workers nationwide.

There have been numerous studies describing the changes expected to occur in the workplace of the 21st century. (Wooldridge & Wester, 1991, p. 207) In addition to changes affecting all organizations, there are some trends specifically impacting the public sector. Naisbitt and Aburdene (1990), forecasted correctly that the tendency toward decentralization in government would be a factor in the year 2000 and beyond. This tendency, combined with an increasing demand for public services, indicates that an expected decrease in the size of federal government will result in a corresponding increase in the growth of state and local agencies. (Edwards & Eadie, 1994, p. 107, Wooldridge & Wester, p. 211)

Unfortunately, change has not always been considered a hallmark of government service. “Good enough for government work” and the sarcastic “I’m from the government, I’m here to help” are two well-known clichés indicating

how the public has viewed the effectiveness and efficiency of public sector organizations. (Rainey & Steinbaur, 1999, p. 1) In 1993, Vice President Al Gore's National Performance Review (NPR) set out to transform the basic culture of federal organizations to make them more performance based and customer oriented. (Kamensky, 1996, p. 247) This focus has since spread throughout government to include state and local agencies, with some research suggesting that public sector organizations not only can change, but are doing so on an ongoing basis. (Rago, 1996, p. 227, Rainey & Steinbauer, p. 2, von Dran, Prybutok, & Kappelman, 1996, p. 18) The purpose of this study was to examine the changes that occurred in one public sector organization when leadership changed, and the impact these changes had on employees, workgroups and the social context of the organization.

The subject of this case study was a large health and human services state agency in the Southwestern United States, referred to in this research as "the agency". The timeframe of the study was an eight-year period during which two very different leaders were in charge. The first leader, Leader A, served from year one to year four. The second leader, Leader B, served from year six to year eight. Between their two terms, an agency executive functioned as Interim Leader in year five. For the purpose of this study, the term of the Interim Leader will not be explicitly explored. The term of the Interim Leader is widely viewed by study participants as an extension of Leader A's term.

Extraordinary things happened during the terms of Leader A and Leader B. Careers changed, organizational functions sprang up and melted away, and the

social context of the organization ranged from positive and generative to chaotic and disruptive. All of this change occurred in a state agency, an organization steeped in bureaucracy and military-style administration. Describing the agency prior to Leader A, one employee said, “You know that old joke about not liking the weather; just wait a while and it will change? Well, in this agency, before Leader A, if you didn’t like something, you would probably have to wait for a long time before anything significant changed in the way we manage things.”

While the mission of the agency expanded in scope and operations a great deal over the course of its history, administration and management practices remained more or less the same. And, even though leadership changes fairly frequently in public sector organizations (Olshfski, 1997, p. 1127), the underlying process of getting business done has usually been maintained by the career public sector administrators who span the eras from one leader to the next. (Sensenbrenner, 1995, p. 92) Thus, organizational life goes on without much interruption, despite the turnover in leadership. Such was not the case in the agency during the timeframe of this study. During the terms of two different leaders, the social context of the agency changed significantly, as described by the study participants and confirmed by the analysis of climate surveys from that time. It was in an effort to document these variations in bureaucratic routine that this study was undertaken. Patton states that studying unusual successes and unusual failures is important in that it may provide policymakers with particularly useful information. (1990, p. 99)

According to Glaser (1978), it is better to organize case study data around concepts and process rather than people and interactions. He believes the latter to be more volatile while the former are more enduring. (as cited in Glesne & Peshkin, 1992, p. 164) The stories told below are organized into sections on inclusion, opportunity, and trust and integrity and are preceded by a discussion of the context of the study.

The things that are reported to have happened during the timeframe of the study and the results of the climate surveys conducted then are incomplete without taking an initial holistic view of the organization's story to that point. (Patton, 1990, p. 54) The following section includes discussions on the context of state government, public sector leadership, a brief history of the agency and a description of the agency immediately prior to the study timeframe.

STATE OF THE STATE

Government at all levels, federal, state and local, experienced continued growth from the administration of Franklin Roosevelt through the Reagan years. Originally seen as primarily a regulatory function, government became more and more responsible for providing services to citizens in myriad ways. By the 1960's, elected officials focused on specific budgeting processes for public sector agencies, processes that assumed a government function could be managed like a business, with a focus on performance and return on investment. (Lauderdale, 1999, p. 5) In the 1990's, the term "reinventing government" became a political battle cry in Washington D. C. and efforts to streamline and improve government were underway.

The home state of the study organization had for generations depended on oil, land and cattle to pay for government. By 1985 the price of oil had reached \$85 a barrel and government expanded without the burden of increasing taxes on its citizens. The boom came to an end in 1985 when the price of oil dropped to below \$10 a barrel. Suddenly, the state was in a depression and the Legislature had to raise taxes, cut services, and look for alternative sources of income. (Lauderdale, 1999, p. 9) Governors of both major political parties traded places in the Governor's mansion as election after election saw a change in state leadership. One constant between all administrations was a commitment to improving state government by reducing redundancy, streamlining services and collecting empirical data to assess efficiency and effectiveness. The 1990's brought to the state a renewed focus on improving the quality of state government, a new accountability for agency leaders, and increasing scrutiny of agency functioning and management.

PUBLIC SECTOR EXECUTIVES

In the subject organization's state, public sector executives may go through a selection process and be interviewed by a series of committees, including agency Boards, but they are ultimately responsible to the Governor, who has final say over the filling of top agency positions. These executives must also work closely with elected state legislators. Politics can be viewed as both a negative and a positive influence on an agency leader. (Olshfski, 1997, p. 1135) Elected officials prove their effectiveness to their constituencies by addressing their needs and demands though passing laws and impacting the operations of

state agencies. If the leader and the legislator find themselves on the same side of an issue, it can be a good thing. If they are on opposite sides, the legislator can be a formidable foe.

Finding qualified individuals willing to interrupt their careers to run a state agency is not easy. To begin with, it is a temporary job. The average length of service as an agency leader in the public sector is two to four years. (Olshfski, 1997, p. 1127, Ross, 1988, p. 28, Sensenbrenner, 1995, p. 94) It can be a challenge to establish and accomplish an agenda in that amount of time. Another drawback is the steep learning curve required. Most political appointees come into their new jobs lacking knowledge, experience, or both, in one or more important area related to their agency. (Olshfski, p. 1126, Shearer & Fagin, 1994, p. 47) One other important requirement of an agency leader is the ability to work effectively in a political environment, and finding willing candidates with that experience is not easy. Olshfski states:

While personal and professional characteristics for effective managerial performance are included in the selection criteria, these criteria may not weigh heavily in making the final choice of who will be a department executive ... state departments are routinely administered by executives drawn from outside the agency or even outside the department's substantial area. (1997, p. 1124 & p. 1129)

The agency leaders described in this study were both gubernatorial appointees and each reflected the political party of the governor who made the

appointment. The shifting sands of politics result in a predictable volatility in agency leadership as political agendas change.

AGENCY HISTORY

The agency has evolved over the years through seven general overlapping phases of services and operations. (Comprehensive Strategic and Operational Plan Fiscal Years 2001 – 2002) It was established in the decade following the Civil War for the initial purpose of controlling infectious diseases, specifically yellow fever and cholera. The health officer's duty dealt with the basics of controlling and preventing communicable diseases, including quarantining the infected, maintaining a safe food supply and overseeing rural sanitation. Infectious disease continued to be the focus of the agency into the 1920's, with services expanding to include laboratory services, sanitary engineering, health and hygiene education, food and product safety regulation, vector control (controlling the animals and insects that carry diseases) and health care services.

Beginning in the 1930's, the immediate threat of communicable diseases was subsiding and the agency began focusing on basic prevention strategies for non-infectious health problems. Home health services and personal health services were provided for children and pregnant women. The World War II era spawned environmental units to respond to air pollution and the threats of radiation and chemical hazards. During the Cold War of the 1950's, civil defense activities and public disaster survival planning became responsibilities of the agency. And, with more and more drivers on the road, more and more automobile

accidents were occurring and the agency's scope was expanded again to include emergency medical care.

The third general phase of agency operations was an expansion into individual health care services, such as dental health, services for crippled children and cancer control. The federal Hill-Burton Act of 1946 provided funds for building hospitals throughout the country and the agency became involved with the planning and regulation of health care facilities.

The fourth phase in the agency's evolution was a greater involvement in health education and health promotion necessitated by a growing number of environmental hazards such as lead and asbestos. This movement into the arena of consumer protection produced a growth in regulatory and quality assurance activities. In the 1960's and 1970's, as medical research was exploring the correlation of physical traits and behaviors and health status, the agency initiated screening programs to identify individuals' risk factors for diseases such as heart disease and stroke.

Phase five was a result of the Great Society goals of the federal government in the 1960's and its focus on providing access to health care for the aged and poor. Billions of dollars and many federally-funded health care programs came to the agency to manage, including Medicare, Medicaid, school health clinics, Title V - expanded maternal and child health services, and Family Planning. Concurrent with the mushrooming growth of federal programs, the state legislature made the agency responsible for "gap filling" – meeting individual health needs not covered by existing programs. Many programs sprang

up to meet the needs of specific populations, such as Kidney Health, Epilepsy, and Adult Hemophilia Assistance. The agency was also made responsible for providing a “safety net” of services and programs for people with low incomes or special health care needs.

Phase six brought about an increase in categorical programs and services that were more specialized and less comprehensive than earlier operations. Local and national advocacy groups influenced the flow of funds and mandates, and sometimes mandates without funds attached, into the agency. Health issues such as Alzheimer’s, osteoporosis, prostate cancer and HIV were supported by their own funding streams and programs.

By the 1990’s, the agency had reached its latest configuration, resembling more a loosely federated group of health and human services programs than a unified, single-mission organization. While disease control and prevention, the management of health data and community assessment remained its core functions, most of the money funding the agency, nearly 90%, was earmarked for the provision of individual health care services. At the height of this phase, the total annual budget for the agency was nearly ten billion dollars.

Two national and global trends emerged in the 1990’s that further impacted the agency. The first was a growth in community development and grassroots participation in the creation of sustainable health improvement processes. No longer viewed as solely a government responsibility to control and prevent disease, public health was also seen to include many aspects of a community’s overall health, including mental, social and spiritual well-being.

The second trend was the shifting of decision-making and management of government programs from the federal level to the state level. In the belief that policy making was a critical core public health function that was not all that it should be at the state level, agency staff and public health advocates began working on efforts to improve the state's public health infrastructure.

The history of the agency shows an organization with a mission that has grown from one fundamental function, the control and prevention of infectious disease, to a complex, multi-faceted conglomerate of regulatory mandates, individual health care programs, community development activities and policy making responsibilities. And all of this has happened during times of unprecedented growth in population, immigration and urbanization.

The management and organizational structure of the agency has grown to meet the increasing demands. There is no simple way to manage the agency. It comprises over 200 separate programs and operational units, many with categorical funding and most with their own individual goals and service requirements. There are over 4,500 people directly employed by the agency, and services are provided through a large central office, eight regional offices, two hospitals and contracts with local providers. Funds for the myriad programs and activities come from dozens of federal grants and state general revenue funding sources and are accompanied by strict quality assurance measures. It is not the number of employees, or the size of the state, or the prevalence of infectious and non-infectious disease that makes managing the agency such a challenge. It is the interwoven, often paradoxical complexity of its programs and funding

requirements, all of which is fairly transparent to the agency's external customers. One study participant described agency management as: "Ducks on a pond, that's what we are, ducks on a pond. Stable looking above the water and paddling like hell below the surface" (Interview, September 2002). Another said: "Managing this agency is like herding cats in a sandstorm. No matter what you do, somebody's tail is always getting stepped on" (Interview, May 2002).

STUDY TIMEFRAME

In the months leading up to Leader A's appointment, the movement to improve government and make it more accountable was strong, the agency's mission was expanding to include a focus on community development and policy making and a new governor was elected, changing once again the political leadership of the state. One study participant describes the time in the agency prior to Leader A as follows:

I think you go back five, six or seven leaders prior to Leader A and what you would see is that all the leaders grew up in the agency. Nobody came from the outside. All the leaders grew up inside the system and had been program managers and functional area executives before they became the leader. Therefore, there was very little change in the system. And, if you look back at those times, we hadn't seen a lot of technology and other things. It had all been fairly stable. It was all very much a military-like organization. We were paying only maybe 25% of what could be made in the private sector. So, you had to find somebody who had the credentials

and who could afford to come to work for that salary, someone who had another income. And that was, typically, retired military. And they hired their friends coming out the military right and left. (Interview, February 2003)

Success in the agency was defined as an absence of trouble, especially as expressed by someone outside the agency. “When we went a day without a legislative staff member calling us to complain or ask questions and nothing was written about us in the newspaper, we were happy” (Interview, August 2002). The goal of management seemed to be focused on “not rocking the boat” and “going along [with the Legislature] to get along.”

Even with retired military personnel heading most management functions and adherence to a strict chain-of-command, program directors did not feel particularly constrained or incapacitated. Agency leaders were very clear about what direction the agency was going to move in and managers, for the most part, felt comfortable exercising some level of flexibility in getting their work done. One said:

From a personal perspective, I don’t know, there were a couple inside who felt like don’t rock the boat, don’t push anything. But I always felt I had the freedom and flexibility to do anything I felt like I was big enough to do. The leader didn’t bite. He never got on me for being outside what maybe my job description said. I wasn’t taking some direction that was

crazy. I always felt like I was moving toward where the leader wanted to be. (Interview, February 2003)

The leader prior to Leader A was somewhat of a transition leader. He was retired military and he had held positions inside the agency prior to becoming the leader, but his term inside the agency was not as lengthy as previous leaders. “He was more of an outsider than we had seen before.” Nevertheless, “...he was a command and control kind of guy.” An interview participant describes the first executive meeting he attended:

Everybody had a designated place to sit at the table. I was used to the Baptist Church where everyone had their place to sit just because that is where they always sat. If you got one seat off, it really didn’t matter. But it mattered at these staff meetings. With this leader, there was no question as to who was in charge. When he said do something, he expected it to get done. And he had high standards. (Interview, February 2003)

LEADER A

Walking into the agency for the first time can be intimidating. There are several buildings on the main campus alone, each designated by a letter, some of which make sense and some do not. Why, you wonder, is this section of the complex called the “G” building? There seem to be several theories. “T” stands for Tower Building. At one point it was the tallest building, but not any more. How do people ever find their way around the confusing maze of corridors,

buildings, programs, and offices? Prior to the bombing of the Murrah Federal Building in Oklahoma City and the tragedies of 9/11/01, there were no restrictions of movement about the campus. The agency is a public agency and public access was not restricted in any way. So, people would end up wandering around, reading signs on doors and directories at elevator lobbies, usually trying to find out where to go for a birth certificate. It was common for agency employees to be on the lookout for someone walking slowly, carefully reading each door plaque they passed. Employees would offer assistance and often end up escorting a client to the appropriate location. Nowadays, in an era of heightened security and an awareness of the vulnerability of public buildings, all employees wear name badges with photographs and visitors are logged into and out of the agency. What hasn't changed is the atmosphere of the agency once inside the hallways. People frequently smile and usually wave or call out a greeting to one another as they hurriedly pass on their ways to yet another meeting. Groundskeepers visit with program directors, secretaries talk with executives and everyone speaks or nods to the Leader when they pass him or her in the hallway.

Leader A came to the agency from "the outside", in that he had never worked for the agency before. He had also never served in the military, which was a big break with previous administrations. And he was young; he had his fortieth birthday during his first year at the agency. The first day he was on the job, there was a sense of something different in the agency. He walked from office to office, introducing himself to everyone he met. Using his first name, a broad smile and a firm handshake, he left some people stunned in his wake.

LEADER A - INCLUSION

Leader A began immediately forging relationships within the agency, and not just with senior managers and his executive support staff. He made it a point to go regularly into different offices and meet people and ask them about their jobs. The impression he made on individuals that first couple of months created feelings of loyalty that lasted throughout his term at the agency. One person describes meeting him for the first time:

I first heard about him being in the building when [someone] called me and said he was walking around introducing himself. I went to the front of our office about the time he walked in. He was all by himself, no entourage or support staff with him. I had been at the agency for a few years and had seen the previous leader in passing and at Board meetings, and he was friendly and all, would make eye contact and say 'Hello' when you passed him in the hall. But I had never shaken his hand and he had certainly never introduced himself to me, and staff members always surrounded him. Not that it mattered; I didn't expect him to know me personally. But this new guy, this Leader A, he acted like he really wanted to know about my work and me. I told him who I was and what I did, and he said something like 'Great to meet you' and sailed on to the next person. I remember thinking, 'Wow, that was nice, but there is no way he will ever remember who I am.' And you know what? Every time

after that when I saw him, he would smile and call me by my name. It was simply amazing. (Interview, May 2002)

Leader A worked on creating relationships across the different areas of the agency. Due to the categorical funding that controlled so many agency activities, the agency's organizational chart was solidly entrenched in a "silo" formation, with parallel sets of functional units that had little interaction with each other. Leader A brought the senior leaders together and met with them in a variety of formats. When he asked one director what the other directors thought about the topic they were discussing, the director said, "I don't know. They really don't have anything to do with this." It was not long before the directors were meeting on a regular basis. One director said, jokingly, "Can you believe the gall of this guy? He actually expected us to talk to one another!"

Leader A facilitated the creation of relationships between the agency and outside constituents. His frame of reference was not bounded by previous service in a state agency and he seemed to naturally include a wide array of external stakeholders in his planning process. A former executive reported:

Another big change [was] the deal with immunizations. I don't know where he found the person who was running it or how that whole thing came into being, but you talk about things that were upsetting status quo... She was going out there and lining up with businesses and industry and all sorts of things and bringing in tremendous amounts of contributions that had strings attached. And we had always sort of pushed away from that

sort of world. But when you delve into it a little bit, you realize there isn't anything wrong with this, but it was just out of the norm for us. Buying billboards, putting ads up on billboards, TV commercials? (Interview, February 2003)

Leader A was also effective at establishing relationships with the agency's Board of Directors, the Legislature, the Governor's and Lieutenant Governor's Offices and the media. He spent time on the road with influential legislative committee members and made many public appearances on behalf of the agency. Too many, some thought, but there was no denying the impact of his personal appearances on how the agency was perceived. The mother of one staff member lived in a small town frequently visited by Leader A and local politicians. She would clip newspaper articles and pictures of Leader A out of the local paper and send them to the employee. Every time the employee visited her parents, one of the first questions from her mother was "How is Leader A doing?", calling him by his first name as if she knew him personally. He had that affect on people, drawing them to his ideas by a personal connection with them. The employee said, "I started having conversations with my parents about substantive public health issues. They would want to know the status of some program or initiative mentioned by Leader A in his last visit and would be exasperated with me if I didn't have the latest details. This from two people who had not been able to adequately describe what I did for a living before then" (Personal conversation, March 2002).

Leader A's knack of drawing people to his ideas and making them feel included was not limited to senior executives and political stakeholders. He created three Blue Ribbon Task Forces in his first year at the agency, designed to address major agency issues. One group met on communication issues, one on issues related to human resources and one on the issues related to regional operations. Each task force contained a wide variety of agency employees, including board members, senior executives, front line supervisors and service delivery workers. A series of Town Hall meetings were held at the central office and around the state at the regional offices to allow employees from all areas to be heard.

He also implemented an agency-wide initiative based on the principles of Total Quality Management. For seven years, three of which occurred after he left the agency, teams of employees identified agency processes that needed improvement and were sent to training to learn how to make it happen. By the time it was all said and done, more than four thousand employees and senior managers had been involved in the quality program in one form or another.

A basic tenet of the quality program in particular and Leader A's term in general was the philosophy of no blame. He wasn't interested in assigning blame. He supported risk taking and had posters made that stated: "The only failure is the failure to try." If mistakes occurred, he expected everyone to learn from them and move on. This philosophy of no blame extended to the front line staff participating in process improvement training as well as agency executives. Quality improvement participants were charged with identifying ways the agency

could function better and with designing a plan to make it happen. If the plan didn't work, at least the participants ended up with a much better understanding of problem solving and process improvement. One executive said:

He didn't like organizational charts. He called the lines on the chart the 'Trail of Blame'. Most of us thought of an organizational chart as something you looked at to see who you reported to. He looked at it as a thing you would use to see who is at fault for something. In that respect, it was issues like that that really got the organization to thinking differently about how it was going to function. And having the capability to be involved at the senior level on the quality program allowed me the opportunity to travel all around the state and watch the quality program get emulated at the lowest level in the organization. What I mean by that is secretaries and administrative technicians were involved in identifying problem issues and implementing solutions to problems right there on a local basis. (Interview, August 2002)

LEADER A – OPPORTUNITY

When a new agency leader first starts out, he is faced with the problem of how to gain control, both intellectually and operationally, of the organization. (Olshfski, 1997, p. 1125) Leader A came into an organization that had existed for over 100 years and had a mature culture and climate. Things had worked the way they worked in the agency for many decades. In order to be effective, he had to

learn both the content and context of the organization. (Olshfki, p.1129) Leader A demonstrated from the beginning a willingness to listen and learn. Referring to the leader prior to Leader A, a study participant said:

You never asked questions [of the leader prior to Leader A]. He told you what he wanted and that was that. There was no question as to who was the boss and who had the answers, including where to sit at staff meetings. And that was the way it had always been. With Leader A, it was different. He listened to briefings, asked questions, and depended on the advice of the agency's senior managers. He acted as if he had a basic trust of the system and the people in it. (Interview, August 2002)

Every study participant echoed the remarks above in some form or fashion. One executive explained his experience by saying:

The thing that struck me about him was that he listened before he talked. He took a lot of time to try to understand what "was" before he started thinking about "what could be". And that impressed me tremendously. I had occasionally encountered situations where folks had already drawn their conclusions and it was just a matter of figuring out how to put into place what they wanted you to do without them really doing their homework. Leader A always did his homework. (Interview, February 2003)

As Leader A was absorbing organizational content, he was also influencing the agency's social context. He expected everyone around him to learn and grow along with him. Intellectual and organizational growth had not exactly been hallmarks of the agency up to that time. A lack of disturbance in the system was valued more highly than creativity, and risk taking was, if not taboo, at least very rare. Leader A had a knack for taking an idea and expanding it significantly, then handing it back, expecting it to be implemented. At first this sort of challenge was uncomfortable to some.

I was at the point in my career where I was comfortable with the status quo. I would not have minded improving a little bit, but I didn't want it turned upside down. He (Leader A) turned it upside down. But as you went along, he started stretching. And you realized that as he stretches, I've got the opportunity to kick it up another notch too, and that I probably need to. (Interview, February 2003)

Several study participants told stories about going in to talk to Leader A about a plan that was, in their minds, well thought out and nearly perfect. After hearing the first several sentences, Leader A would begin expanding the scope of the plan, offering additional suggestions and identifying others who needed to be included. "You sometimes left his office with a sense of 'what just happened in there? I had this nice little thing I wanted to try and now I have an agency-wide initiative to implement'" (Interview, September 2002).

One element of the quality program was a council of senior-level executives who met regularly both to learn about Total Quality Management and to strategize how to embody it within the agency. Another shock to the agency social context was the realization that Leader A expected council members to read the current literature on learning organizations, systems thinking and reinventing government and apply what they read to agency operations. “Holy Toledo! He made us read books...on our own time...and talk about them” (Interview, September 2002). “I would sit around in those meetings with all of you and pray that either I wouldn’t be called on or that if I was I would have one, just one, intelligent comment to make” (Interview, August 2002). Leader A expected great things from people and in return, people tried to accomplish great things for him.

LEADER A – TRUST AND INTEGRITY

Leader A asked a lot from people. He asked them to learn, to take risks and to exercise creativity in the ways they accomplished their jobs. Again, these expectations were not limited to just the executive leadership, but included everyone in the agency who wanted to participate. At first, people were skeptical. As with any new leader, public sector employees knew that if they just waited, the next leader would come along in relatively short order. (Olshfski, 1997, p. 1129) But Leader A challenged people, and agency employees took the bait. “He didn’t just want you to continue doing the best job you could, he expected you to be creative, to try new things, and at first I wondered ‘Yeah, and who is going to take the blame when this thing doesn’t fly right?’” The answer turned out to be Leader A. One executive remembered:

I had worked in organizations where the leader was very loyal to his employees, but I had never worked for anyone who embodied that more than Leader A. In other organizations, you could make a mistake and there would be some slight bad feelings communicated to you about it. But not with Leader A. You could go out there and make a mistake and he would just kind of wrap himself around you and say, 'Well, that one didn't work out, but the next one will.' And that was very empowering. It made you want to stretch for the best because you didn't fear the worst. (Interview, February 2003)

Another interview participant, who came to the agency after Leader A was already there, said:

I remember the first assignment I was given by Leader A and it involved talking to all the members of the quality council and getting their input into the effectiveness of the council and what could be done to improve it. And I was nervous. Here I was, a newcomer to the agency, talking to senior managers about what they didn't like. And I had to make a report to the Leader. I was so afraid they were going to shoot the messenger. But they didn't. I gave my report and everybody accepted it and no one treated me poorly, which I was really worried about. There was this whole trusting atmosphere. I had seen the posters about the only failure being the failure to try, but I was really impressed the way the leadership

of the agency put that phrase into practice, that we learn from our mistakes and not be punitive. This was something I had never experienced in any type of government work before. (Interview, February 2003)

Leader A, and ultimately most senior managers in the agency, had a reputation for not assigning blame or scapegoating someone if there was a problem. “Leader A was always by your side if you had to go downtown [to appear before the Legislature].” “If you found yourself in a foxhole, you didn’t have to wonder where your boss was. You could look around and he would be right there next to you, in the foxhole with you.” Employees below the executive level noticed the change as well. “It was really nice to be asked to work on something and not be afraid of screwing up and getting into trouble.” “To be able to fail without being beat down or fired was totally amazing. At one point I thought to myself, ‘What if I make a five million dollar mistake?’ And then I realized I couldn’t make that kind of mistake because the program didn’t have that kind of money in the first place!” “Basically, he was just always there for you. You could trust him completely” (Personal conversations, 2001).

The issue of Leader A’s integrity was mentioned frequently in interviews and conversations and was described primarily in terms of being able to depend on him to do whatever he said he was going to do. He initiated an open door policy for his office and employees took advantage of it. He was very accessible to all levels of the organization, and he led by example.

“Leader A was one of the smartest pragmatists I have ever met. He knew the power of symbolism and he would exercise that power – for the good of the

organization, not for his personal gain.” He wanted to create approachability, so he did things to demonstrate his open door policy. He would toss a football around on the front lawn with people; he would put on roller skates and skate around the parking lots during the noon hour; he would participate in skits at employee meetings. “The purpose [of all these actions] had to be to create symbolism. I think there were messages in a lot of what he did that were very intentional. I don’t think it was happenstance or chance. It was a pretty brilliant leader to do that” (Interview, February 2003).

It was an exciting time at the agency. Again, excitement and working in a state agency are not normally mutually inclusive concepts. Visitors to the agency would often comment on how many people they saw smiling and how much laughter was heard. The general sense was one of opportunity and growth. Even when animosities sprang up or problems occurred, the overall sense of working together for the greater good got people through difficult situations. Not everyone was thrilled with what was happening and pockets of malcontent existed. But the drawing power of high expectations, creative opportunities, trust and integrity prevailed. One executive remembers:

Leader A created an environment where the good of the organization outweighed some pockets of dissention. It certainly wasn’t paradise – a mental paradise, perhaps, a philosophical paradise that was great, but it wasn’t Nirvana. So he created a Nirvana where the good of the organization outweighed other bad stuff that was going on. (Interview, February 2003)

Leader A had a lot of passion for what he did and that passion sometimes was expressed as anger or temper. Agency executives put the following “48-Hour Rule” into effect to mitigate Leader A’s temper:

He had a temper. But we could turn that into fun. One of his sayings when he was angry was ‘Nuclear weapons at 20 paces!’ I don’t remember the exact situation when we first introduced the idea of a 48-hour rule, but he was angry and ready to do something and we said, ‘What do you think about waiting 48 hours before responding?’ After that, whenever he would go off, we would enforce the 48-hour rule. To let you know how far it went, he called us in one day because something had just happened that had him all in an uproar and he started out by saying, ‘And I don’t want to hear anything about that blankety-blank 48 hour rule!’ Everybody laughed and someone said, ‘Ok, how about 24?’ He laughed. He didn’t want to laugh, but he would. And he waited before responding.

(Interview, February 2003)

One executive summarized what the agency was like under Leader A: It just became a nice blend where 1) you wanted to produce for him; 2) you clearly realized you were authorized to do that; and, 3) you had better go do that because this guy was moving at a fast pace and if you were going to keep up you had better get ginning to do better, faster.

(Interview, February 2003)

LEADER B

As has been mentioned, leadership in public sector organizations changes frequently, usually as a result of an election in which control of the state or federal government changes from one political party to another. After four years of service, Leader A left the agency as a new governor made plans to replace leadership in several agencies. For twelve months, an agency executive served as Interim Leader while the search was conducted for a new agency head. As the list of candidates was shortened and Leader B's name was becoming more prominent as the probable next appointment, there was much reported about him in the print media, most of which was unflattering. Leader B was very conservative and his views on health and human services policies contrasted sharply with the existing nature of agency programs and activities. Constituents were concerned about a curtailment of services. Like Leader A, Leader B was young, new to the agency and did not have a background in the military. He started his term at the agency a little more than a year after Leader A departed. While agency employees regretted the loss of Leader A, no one wanted to start off in a negative way with Leader B. There was a general atmosphere of "wait and see" and hoping for the best. One interview participant said:

Changing leaders is not the end of the world, you know. I have been through a few myself. You usually have a few months to let the new guy get settled in and you gradually learn what to expect. Leader A was exceptional in that he came in like gang busters and made such a sharp impression from the get go, but no one was expecting Leader B to

compete with that. No one was expecting Leader B to be like Leader A. I really think we were all determined to get along initially. He was our new leader and we worked for him. We were willing to be led. (Interview, September 2002)

LEADER B – INCLUSION

In the weeks prior to his starting at the agency, Leader B invited the Interim Leader to meet with him and talk about the agency. Her remark about him when she returned was, “I can work with this guy.” He seemed genuinely interested in the agency and excited about the possibilities of having a positive impact.

Once at the agency, Leader B was clearly not interested in supporting any program or activity initiated by Leader A, like the quality program or directors’ meetings. He never came out and ended a program; they just dwindled away from a lack of interest and attention. He attended a few quality council meetings and appeared confused by their purpose. He told one study participant: “I just don’t get the point. Everybody knows that we all should be trying to do better, so why do we have these meetings just to state the obvious?” (Personal conversation, March 1998) He strongly believed, and stated on many occasions, that management, like government, was unnecessary. “There is all this great talent working for the agency,” he said to one executive, “and if management would just step back and let them loose, they could change the world” (Personal conversation, March 1998). Agency executives, in the meantime, were having a

hard time figuring out exactly what it was that Leader B wanted them to do. It was clear that he had very strong opinions, but also unclear precisely how to implement what he envisioned. According to one manager:

The defining moment for me happened when we all (senior executives) were at a restaurant and Leader B was talking about alienation and community and all that stuff. And we were trying to plot out a vision for the agency. You know, trying to define what success would look like to Leader B, trying to better understand where he was coming from and where he wanted us to go. And as we asked questions, Leader B said, 'I don't know the answers, come go with me and we will go searching for it together.' And I remember thinking, 'Oh boy, this is going to be interesting.' (Interview, February 2003)

Leader B distrusted anything that felt like structure to him, from regularly scheduled meetings to an agency-wide training plan. He believed that any form of structure was the worst aspect of bureaucracy, and, in his mind, there was nothing worse than bureaucracy. He would talk about the importance of organizational learning, but would eschew any attempt to make it happen. He told one program director: "I really hate it when you start talking about plans and schedules. You will just ruin it for everybody. The best learning will take place in people's minds when they are ready to receive it" (Personal conversation, May 1998).

Leader B came to the agency with a desire to totally change the way the agency did business, and he didn't appear to trust anyone who was already employed in a management position. One director remembers:

My first encounter with him was an eye-opener. I went in with an open mind. I expected him to be like Leader A and want to learn about what we were doing. But I started to see things in his comments and questions, things that led me to believe that this guy is not willing to listen, he is just coming in to preach. And that was from the very start. Whereas, with Leader A, my experience was that he would listen and try to learn, then make up his mind. With Leader B, he already had his opinion and he really did not want to listen. He wanted to tell you how it should be or at least point out all the things that were wrong with how you were doing things. It didn't inspire confidence in me that he was the person you could entrust your future to. (Interview, February 2003)

Another manager remembers: "When you went in to talk to Leader A about a simple three-point plan, you came out of his office with an agency-wide initiative to implement. When you went in to talk to Leader B about a simple three-point plan, you never even got to point one" (Interview, February 2003).

After a few months, Leader B began talking about bringing a colleague of his to the agency to work with him. Leader B was feeling frustrated that he couldn't get his ideas across and he wanted the help of someone he knew who believed the same things he did. He told one study participant, "I need this guy in

order to be successful here.” His associate was subsequently hired as the Leader’s executive assistant. Leader B referred to him as “my spiritual advisor.” Once the assistant was on board, Leader B spent very little time with agency executives and managers. He took his advice from his assistant. Over the course of the next year, Leader B created a new executive team consisting of his assistant, three people whom he hired from outside the agency, and two agency managers who had not been a part of Leader A’s inner circle of executives. The agency executives in charge of billions of dollars worth of federal and state programs were not included in most decision-making and planning. Leader B did not express trust in anyone who had worked under Leader A and he would complain about one executive to another.

There seemed to be two management structures in the agency. During the day, program executives met and worked on agency issues and during the evening, after most people had gone home, Leader B would hold informal gatherings of the six or seven people he trusted most in the agency and would strategize how to change the agency. Study participants agreed that, in their opinions, the purpose of the informal meetings held after most employees left the agency was to break down the existing agency structure and management. According to one executive:

Leader B and his group were all about destruction. They wanted to destroy the management team, destroy the quality program, destroy anything that Leader A put into place. I never once heard any of them articulate what

they would rebuild with, how they would replace things. They were just intent on destruction. (Interview, February 2003)

Another manager recalled a conversation with Leader B's assistant:

I remember the assistant telling me one time that the only way to change the agency was to scare people, especially the senior managers. I asked him why and he said that the only way people would ever change is through fear. I said, 'So, you are going to threaten these people to make them do what you want them to do?' And he said yes. (Interview, February 2003)

LEADER B – OPPORTUNITY

The term of Leader B at the agency did not provide much in the way of opportunities for personal growth, participation in decision making or contributing to the mission of the agency. One reason for this was Leader B's belief that less is more when it came to government. He voiced strong opinions about the agency being involved in and promoting " ... unnecessary governmental intervention ... " and made it clear that the regulatory functions being carried out by the agency were unnecessary at best and potentially racist at worst. At one point, there was intense media coverage on a national level of Medicaid fraud, a result of which was an increase in the numbers of site surveys conducted by agency inspectors. When a group of facility owners complained and said that the agency was "profiling" minority-owned businesses for inspections, Leader B

agreed and said surveys would stop. The agency director in charge of the regulatory activities in the agency was not consulted on the decision. In thinking about that incident, the director said later: “Wow, that was my leader and I didn’t want to be associated with him, with his style of leadership. He didn’t say ‘we’ll look into this’ or anything like that. He immediately agreed with the facility owners that we, as an agency, were being racist and profiling minority-owned businesses” (Interview, February 2003).

LEADER B –TRUST AND INTEGRITY

Leader B seemed to march to the beat of his own drummer, and it was a beat that was indiscernible to most around him in the agency. He had little regard for the legislative or political process and could not be depended upon to represent the agency as normally required. Two examples follow:

It became clear during the [Legislative] session that there was going to be legislation to remove [a program] from our agency and put it at another agency. A series of hearings were slated with important Senators and Representatives at the Capitol. We told Leader B about these hearings, and that he would have to be at the first one and then we could do the rest. He said OK, and then he didn’t show up. I remember a certain Legislator looking at my staff and me and saying, ‘Where is your leader?’ Later we laughed about how much we wanted to say, ‘I don’t know Senator, it is not our day to watch him.’ (Interview, February 2003)

It seemed like Leader B was not very disciplined professionally, and it caused me to question whether or not I could count on him. We would go to a meeting at the Capitol and maybe he would show up and maybe he wouldn't. I remember we were at a budget meeting before the Appropriations Committee and he had made a statement and had sat back down with us, because we were going to be called again. He excused himself after a minute or two and wandered off and never came back. We had to go before the Appropriations Committee without him because he had gone off to someone's office to talk. (Interview, February 2003)

The feeling existed among agency executives and staff that Leader B didn't trust them and they didn't trust him. It was widely believed that he would not listen to anything they had to say, especially if they were giving him advice. An executive noted:

I remember several times I would be briefing him on issues that would have to do with a hearing that was coming up and I would say, 'You need to know this, but you really don't need to draw attention to it. But, if it comes up, you need to know how to answer the questions.' And guess what would be the first thing out of his mouth? That one issue. After a while, it made me think that I had better not tell him some things, because he would just end up self-destructing. It created a sense of lack of trust

that I had for his ability to comprehend and at least listen to our advice.

(Interview, February 2003)

One manager was briefing him for a meeting and, after going over a sensitive issue, recommended that Leader B defer discussing this particular issue until all other agenda items had been covered. At that point, Leader B asked the manager, “Do you eat your peas first or last?” The manager said “last.” Leader B replied, “Well I eat mine first to get it over with.”

With Leader B, study participants linked being unable to trust him to a lack of integrity. They stated many times that there was no predictability about where he would stand and how he would react. With Leader B, people became fearful of the consequences of almost any type of action. In senior manager meetings, the executive team had been used to examining an issue from all sides, with one or another person taking on the role of devil’s advocate. In this manner, they attempted to guard against groupthink and the Abilene Paradox – Jerry Harvey’s theory that groups sometimes agree to do something as a group that no one member of the group thinks is right. Playing devil’s advocate was one of the first group functions to be abandoned. As one executive remembers:

[One manager] was great at playing devil’s advocate. He could look at a situation or issue from different viewpoints. We counted on him not to let us get too far down a path without checking out our assumptions and blind spots. But I got word from Leader B’s executive assistant a couple of times that he was going to get that manager [for speaking up]. It was clear

that there was now risk involved in speaking out or questioning something that Leader B or his new team said. We all had to understand that it had gotten to the point where there was real risk when it hadn't existed before. (Interview, February 2003)

The danger in speaking up or disagreeing was not limited to staff that had worked with Leader A. The story was told of the fate of one manager that was hired by Leader B:

I didn't see the destructive side of Leader B's actions at first. But I started hearing things and then I started seeing things. Do you remember [a particular manager]? Leader B hired him and put him in charge of a very important, politically sensitive issue. And Leader B shot him down. And he had not done anything. He was talented, worked hard, tried to move things forward and Leader B shot him. By that I mean that all because the manager disagreed with Leader B's position on the issue and advocated for something different, Leader B ostracized him, cut him out of all discussions and decision making, just left him out in the cold. He talked about him behind his back and ridiculed his work. It was really vicious, the way he did it. And the manager had given Leader B the same advice we would have given him. So, I am thinking, boy, if you will shoot the first one you bring on, then none of us is safe. (Interview, February 2003)

During Leader B's term, at least five senior level executives left the agency in order to escape working with him. They were eligible for retirement, but were taking it primarily to end their involvement with Leader B as opposed to a desire to quit working. Most said they were not desperate to retire and could have been talked into staying if Leader A had asked them to. But they were not going to work through another legislative session with Leader B. All retired study participants also talked about how working with Leader B had negatively affected their health and how much better each felt physically after leaving the agency. One manager summed it up this way: "After I retired, my wife said 'you know, you haven't smiled in two years.'" Another said: "I had my semi-annual physical checkup a couple of months after I retired and the doctor wanted to know if anything different was going on in my life, was I all right. I said, 'Well, I retired...' And he said, 'Well that explains it. Your blood pressure is doing good'" (Interviews, February 2003).

CLIMATE SURVEY FINDINGS

Every two years throughout the timeframe of the study, an agency-wide climate survey was conducted in the subject organization and other participating state agencies. The Survey of Organizational Excellence contains questionnaire items covering 20 organizational constructs categorized into five workplace dimensions. The four dimensions chosen for inclusion in this study were Organizational Features, Work Group, Information and Personal. One dimension, Work Setting, was excluded from this study. Work Setting measures employees' perceptions on the issues of Fair Pay, Physical Environment, Benefits and

Employee Development, and the leader of a public sector organization has very little direct control of these organizational features.

The SOE is designed so that a rising score on an item, construct or work place dimension indicates improvement and a falling score represents decline in some aspect of organizational climate as perceived by employees. Survey results may be interpreted in a variety of options, including whole organization totals, internal comparisons across departments, cross tabulations and comparisons over time. For this study, survey data were examined at the Work Place Dimension level. The unit of study was the whole organization and the data were compared over the course of the eight-year timeframe of the study

State agencies, while strongly urged to participate in the Survey of Organizational Excellence, actually have the option whether or not to participate and to what degree to participate. Agencies are charged a fee per employee to cover the costs of gathering and analyzing survey data. Some agencies choose to participate by selecting a representative sample of their employees to be surveyed. Other agencies, including the subject of this research, choose to have surveys delivered to every employee. Thus, the SOE data gathered for this study is more accurately described as a census process rather than a survey process. Questionnaires were distributed to all members of the subject agency. Employees' participation was voluntary.

Table 4.1 illustrates the agency timeframe, the terms of the agency leaders and the times at which the Survey of Organizational Excellence (SOE) was conducted.

Table 4.1 Study Timeframe

Study Timeframe

Leader A				Interim Leader	Leader B		
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	SOE 1		SOE 2		SOE 3		SOE 4

Table 4.2 illustrates the SOE data for the subject organization that were examined for this study.

Table 4.2 Survey of Organizational Excellence Results

Survey of Organizational Excellence

A Comparison of Work Place Dimensions Scores for the Subject

Organization Over the Timeframe of the Study

Work Place Dimension	SOE 1 Study Timeframe Year 2 Surveys Distributed = 5872 Surveys Received = 1986 Response Rate = 33 %	SOE 2 Study Timeframe Year 4 Surveys Distributed = 5591 Surveys Received = 2249 Response Rate = 40%	SOE 3 Study Timeframe Year 6 Surveys Distributed = 5628 Surveys Received = 1996 Response Rate = 35%	SOE 4 Study Timeframe Year 8 Surveys Distributed = 5477 Surveys Received = 2097 Response Rate = 38%
Organizational Features	319	320 $\Delta = + 1$ Significant – No	329 $\Delta = + 9$ Significant – Yes	317 $\Delta = - 12$ Significant - Yes
Work Group	269	272 $\Delta = + 3$ Significant – No	285 $\Delta = + 13$ Significant – Yes	277 $\Delta = - 8$ Significant - Yes
Information*	289	295 $\Delta = + 6$ Significant - Yes	303 $\Delta = + 8$ Significant – Yes	297 $\Delta = - 6$ Significant - Yes
Personal	290	293 $\Delta = + 3$ Significant – No	308 $\Delta = + 15$ Significant – Yes	300 $\Delta = - 8$ Significant - Yes

* The work place dimension of Information was the first aspect of social context to be positively influenced by Leader A and was least impacted by the declining social context during Leader B's time at the agency.

SURVEY VALIDITY AND RELIABILITY

The SOE uses a census rather than a sampling strategy. Instruments are sent to all agency employees. Consequently, any difference is significant. And, the larger the difference, the greater the meaning that may be attached to the difference. At the work place dimension level of the SOE, any difference greater than five points will be a significant difference applying congenital comparison of means tests. (M. Lauderdale, personal communication, April 28, 2003)

Every item in the survey, as well as the entire survey itself, had a Cronbach's Alpha of at least .85. "Generally, a Cronbach's Alpha value of .60 or greater is considered necessary for internal item consistency" (Landuyt, 1999, p. 64). Criterion validation of the instrument was accomplished through comparisons with similar instruments. Convergence was shown on such scales as Maslach's Burnout Inventory and Dean's Alienation Scale. (Lauderdale, 2000) A review of the current literature on quality, effectiveness and organizational excellence was reflected in survey items, providing face validity.

Informally, corroborative validity of survey results was established for each iteration of the survey by conducting focus groups within the agency. Because many of the items within the SOE specifically related to the nature of agency management, two sets of focus groups were held for each functional and geographic area; one group with supervisors and managers and one group with employees below the level of supervisor. While often commenting on the specific wording of survey questions or on some aspects of the survey process, every member of every focus group corroborated the findings of the survey.

SUMMARY

Leaders of public sector organizations live by the political sword and die by the political sword. Leader A was appointed by a governor whose term in office represented a change in the political leadership of the state. The governor had specific ideas about improving government that mirrored what was happening at the federal level and she appointed agency leaders to carry out her plans. This governor was not re-elected for a second term and the newly elected incoming governor had very different opinions about how government should function. He also cared very much about improving services, but he had different ideas about what services government should be providing and how these services should be funded. For Leader A, the writing was on the wall. There were rumors about the new governor's intent to fire him in order to appoint someone more politically and philosophically associated with the governor's office. Leader A left the agency after four years.

Leader B worked for three years as agency head. He was ultimately asked to step down by the same administration that had appointed him. Once again, an agency executive, a different one this time, was asked to serve as Interim Leader until a new selection could be made. All the managers hired by Leader B either left the agency or were asked to leave during the Interim Leader's term.

The following chapter summarizes the findings of this study. It then describes the nature of public sector organizations today and the leadership they require. The chapter closes with recommendations for maximizing the effectiveness of the short tenure of public sector organization leaders.

CHAPTER FIVE

Conclusion

The purpose of this study was to examine the social context of a public sector organization over a period of time and to measure the extent to which it was impacted by changes in leadership. What I observed from my position within the organization was an exodus of senior level executives who took retirement rather than continue working for Leader B. These managers, who went on to work in the private sector, took with them extensive intellectual capital that was reflected in years of organizational history, knowledge and public sector expertise. The agency was ill equipped to replace this loss. My second observation was that organizational communication, defined as information in the Survey of Organizational Excellence, was the first work place dimension to be positively impacted by an improving social context and was the dimension least impacted by a declining social context.

Study data included the personal experiences and insights of the researcher, the stories told by a criterion-based sample of agency employees, the results of four iterations of an agency-wide employee attitude survey, and the results of focus groups held to corroborate survey findings. Analyses of the data reveal first a growth, then a decline in how employees perceived the social context of their organization following changes in leadership. Also shown was a strong consistency between the trends described by the qualitative data derived

from interviews and focus groups and the quantitative data resulting from the Survey of Organizational Excellence, supporting validity of the findings.

The changing political leadership in the state did not cause the growth or the deterioration of organizational social context. Leadership in state agencies changes frequently and public sector organizations are experienced in the processes of implementing new political agendas. The changes in social context of the study organization were a function of the administrative experience and abilities of the political appointees who filled the leadership role, the agency's lack of succession planning in executive management positions, and a geo-political climate in which state agencies are expected to work closely with local organizations and advocacy groups to accomplish more with fewer resources to go around.

The two leaders in this study clearly impacted the work and the public sector workers of the subject organization during their terms. The mood of the organization changed from "anything is possible" to "you had better watch yourself." Leader A created an atmosphere of blameless risk taking where the good of the organization was the ultimate goal of every project. The personal rewards people felt working with Leader A came from seeing the agency achieve its goals, often in innovative ways. Being noticed by Leader A for the work you were doing was a good thing. "I told him I was thinking about reorganizing my area and he said I didn't need to ask permission for something like that – I just needed to tell him what I would need to make it happen" (Interview, August 2002).

Leader B's reactions to the agency and the individuals working in it caused people to feel personally threatened and, in defensive response, they pulled back and did less. Several key executives who were eligible for retirement left the agency altogether, leaving a leadership vacuum and creating a loss in knowledge and human capital. Being noticed by Leader B for the work you were doing was a potentially bad thing. An executive remembers:

At the time Leader B came on, we were in the process of finalizing plans to build a new building. Getting permission and funding for this project had been a major political coup and had taken a lot of work. Leader B put a stop to everything because he didn't like some minor aesthetic point, like the color or something. We couldn't believe it and we tried to explain to him how significant it was that we had gotten to where we were and how politically harmful to the agency it would be to stop the project at this point. He insisted on starting over with a new design. I remember that day clearly. I made my pitch to him, but he said not only no, but hell no, in so many words. I left his office, went down seven flights of stairs, walked to my car and drove home. It was about 11:00 in the morning. It made you not want to tell him what was happening or what you were working on for fear he would change things – not for the good of the agency necessarily, but on the basis of a personal whim, like if he did not like the color or something. (Interview, February 2003)

Data gathered for this study indicate that the social context of the subject organization changed significantly after a change in leadership. In fact, it changed twice; once after the appointment of Leader A and a second time after the appointment of Leader B. These changes occurred in spite of commonly held beliefs that public sector organizations are difficult, if not impossible, to change, and that the brevity of the terms of public sector leaders offers them little opportunity to truly impact the context and content of their agency.

Discussion

PUBLIC SECTOR ORGANIZATIONS

The study organization had evolved over the years from its original mission to control and prevent infectious disease to its current web of single-mission programs tied to dedicated funding streams and overseen by networks of federal agencies, state legislative committees, special interest groups and the media. Far from being unique, this evolution is reflected in most public sector organizations today. (Peters, 1996, p. 282) Government agencies and activities are extremely complex, both in mission and in expectations, and two apparently diametrically opposite forces are impacting government at all levels, both of which have the goal of making government more effective and efficient. On one hand, the drive to reinvent government advocates decentralizing functions, pushing decision-making down to lower levels and empowering front line employees to be innovative and to provide excellent customer service in whatever way they can. On the other hand, there is a strong initiative to centralize and

control policy making and program administration due to an increasing number of issues that cross program and agency lines, a difficult fiscal environment, and a growing need to integrate geopolitical realities in government functions. (1996, p. 281) Agencies are increasingly caught in the crossfire of competing political agendas that seem to contradict one another.

AGENCY LEADERSHIP

Leadership of public sector organizations in this often turbulent environment is usually in the hands of an individual who was appointed to the position as much, if not more, for his or her loyalty to the reigning political party than for any specific experience in public management or expertise in the content of the organization. They take the job knowing that they will likely be replaced in two to four years. It is a “temp position” at best.

In the case of the subject organization, the administrative capability of Leader B was clearly the reason a number of influential senior managers chose to take retirement when they did. When they departed from the agency they took with them decades of organizational memory and knowledge that was irreplaceable. The agency had not prepared itself for any form of organized succession management. There was no one waiting to step into senior management positions. Elected officials need to consider the impact of their appointment choices on the existing agency leadership, and agencies need to be prepared to replace executives who are approaching retirement age.

Before the days of constant media attention and political action committees, leading a public sector agency was largely a matter of maintaining a

political status quo and not causing any embarrassments to those in office. Such is not the case any more. The management and administration of public programs and funds involves not only walking a tightrope strung between the competing needs for control and creativity, it is also done in the full glare of public scrutiny. Agency leaders have to make deliberate choices on how best to handle their new responsibilities.

COMPLEX ADAPTIVE SYSTEMS

Originally, organization and management theories were based on the science of the day, Newtonian physics and thermodynamics. Frederick Taylor even referred to his theories about organizations as Scientific Management. Science has changed a lot since the days of Isaac Newton, but many organizations are still managed according to the scientific theories of the early 1900's, characterized by command and control and based on predictability and repetition.

Current scientific theory has moved beyond the view of the world as a machine with discrete parts and functions and is now looking at an integration of such fields as Evolutionary Biology, Field Theory, Systems Theory and Chaos Theory to help us understand how best to survive and thrive, both as individuals and as organizations. According to these theories, for any organization, including those in the public sector, to thrive in an environment of rapid change and constant evaluation, it must be flexible, infused with information and have the ability to adapt. These are not the attributes of an organization managed by autocratic command and control processes. Lewin and Regine define these new requirements as elements of complex adaptive systems, in which a diversity of

agents interact with each other and mutually affect each other. The process of constant adaptation yields a system that generates the behaviors necessary to meet the complex needs of the time. (2000, p. 18) The theory of complex adaptive systems is as valid for organizations as it is for living biological systems.

Managing an organization as a complex adaptive system requires information, meaning, context and relationships. The first thing an effective leader needs is valid information. With that information, he can then create the type of dialogue in the agency that will provide a context for work that needs doing. Once individuals within the agency understand the content and context, the work they are doing takes on a meaning that is shared among all. On an organizational level, shared meaning reveals the vision that drives everything. Out of meaning that is shared within a defined context, relationships evolve that are capable of generating responses to the ever-changing environment of which the agency is a part. (Mink, 2000, p. 5) With Leader A, many of the activities related to the attributes of complex adaptive systems occurred in an overlapping, simultaneous fashion. With Leader B, they occurred sporadically, if at all.

Recommendations: What Worked and What Did Not Work

GATHER VALID INFORMATION

leader a

Leader A addressed the need for valid information from his first day in the agency. His practice of personally introducing himself to employees always

involved asking questions about their work. On an organizational scale, he created task forces that were charged with gathering specific information from across the agency and from external stakeholders as well. He initiated an open door policy – a first in the subject agency. Anyone who worked for the agency could get time on his calendar for a discussion. He held monthly “coffee sessions” in which a limited number of employees met with him over coffee and rolls to talk. Any employee could attend; they just had to sign up in advance. He wanted to keep the number relatively small in order to make sure he could interact with everyone.

In addition to the anecdotal data he gathered every time he talked with someone, Leader A also paid close attention to the results of the biannual Survey of Organizational Excellence which measured employees’ perceptions of the climate of the agency. Leader A put together a cross-functional team to work on improving the agency’s response rate through a marketing plan and to make recommendations based on survey results.

leader b

Leader B liked to talk to people, but did not ask questions as often as he talked about what he wanted to accomplish at the agency. He was a charming man who made personal connections with employees and his attention was appreciated. His conversations were largely philosophical. He steered comments away from operational issues. He seldom walked about the agency without someone, or several “someones”, from his executive team with him. Once his executive assistant was hired, he was seldom seen without him.

ENGAGE IN DIALOGUE

leader a

Leader A created a number of formats for dialogue. The Blue Ribbon Task Forces mentioned previously involved dialogue between Board Members, Executive Staff and front line employees. The quality program he initiated provided a platform for dialogue between senior managers serving on the quality council, line staff attending training and other agency leaders who were members of the interagency quality council. A side note about the quality council: after the third meeting or so, attendance began to drop off and people made more of a habit of coming late, leaving early and taking calls during the meeting. Leader A sent around a memo that clearly stated his expectations that attendance at quality council meetings was mandatory. After that, if anyone was ever not able to attend, they made specific arrangements ahead of time with Leader A so he would know why they were not there. The services of a private contractor provided much of the initial subject matter and introduced such concepts into the agency's lexicon as "playing above the line" (an imaginary line below which blaming and fault finding occurred), "shooting puppies" (the act of ending programs or activities that had outlived their usefulness or relevancy) and the idea of external and internal customers. Leader A provided a set of five current popular books on quality and systems thinking and assigned the quality council members to read and discuss them. Leader A appointed an agency trainer as quality coordinator in a full time role to facilitate and manage the logistics of the initiatives. Leader A

also held Town Hall Meetings at which employees could talk about any topic, and he wrote an article in the bimonthly agency newsletter.

leader b

Leader B continued the process of writing a column in the agency newsletter, and, at least initially, had an open door policy. After he hired his executive assistant, access to Leader B became more difficult, especially the ability to meet with him alone. He did hold Town Hall meetings, but was uncomfortable with some of the questions employees asked in public. He preferred to have time to craft a written response. The primary group he engaged in dialogue about agency issues was his handpicked team that typically met after hours and did not include the executives who ran the agency's programs. Leader B was never an active member of the quality council and began failing to attend. After a few months, the council disbanded due to a lack of leadership and purpose.

CREATE SHARED MEANING

leader a

When Leader A was first on the job, he set up an off-site work session with Board Members and executives to hammer out an initial vision and mission for the agency. Later, as the quality initiative took hold, he met with the top sixty agency executives and managers to work on ways to get the ideas that were becoming the basis for shared meaning communicated throughout the agency. It was at this point that executives came up with a series of posters, bumper stickers and logos to be put on agency vehicles. These sayings became the watchwords of

the agency and the posters are still visible throughout the agency. Understanding the agency vision and mission were made part of the annual employee evaluation process. Leader A also utilized the agency's training function to get the messages out to all employees. No one could ever say they didn't know what Leader A was all about.

leader b

Leader B's idea of shared meaning was to tell people what they should be doing. He had his assistant conduct a series of slide shows on the plight of the homeless population in metropolitan Washington D.C. in order to illustrate how he, Leader B, felt about government's role in social services. The meetings were poorly attended and largely irrelevant to what employees felt their jobs to be. Employees could not make the connection between what they were seeing happening in another area of the country to the demands of their daily jobs.

Leader B stated on more than one occasion that agency employees "...had it all wrong ..." (referring to government's role in the agency's business) and he was "... bound and determined to show them the right way." He also frequently stated that the reason agency employees had it all wrong was due to the "oppressive" management of agency executives. He would say these things to the employees. Leader B refused to communicate through the training function. He felt it was a "... propaganda tool and demeaning to employees".

CREATE CONTEXT

leader a

Mink defines context as "...the process of weaving together language and history to create meaning" (2000, p. 4). Ghoshal refers to it as tangible and concrete actions created by management that includes "...discipline, stretch, trust and support" (1994, p. 91). Complex adaptive systems occur in a context that must be considered when studying or managing a system. The context of an organization is the entirety of the environment in which action occurs. Leader A created a strong context for action ("playing in a bigger sandbox") through his philosophy of no blame and risk-free creativity. He did not just turn everyone loose to do as they pleased. He utilized the discussion groups and training classes associated with the quality program to provide an environment in which mistakes, if made, would not be fatal. If mistakes occurred outside the controlled environment of the quality program, he used himself as more or less a human shield, taking responsibility for any mistake or perceived mistake made by someone in the agency. As one executive said earlier, "...he would just kind of wrap himself around you." He trusted people to do the right thing and they trusted him to protect them in case of a mistake or misunderstanding. He also stretched them to try new things and had high standards for quality work to be produced in a timely fashion.

leader b

Leader B's support was unpredictable. It could be strong one day and non-existent the next. The context this created was one of fear of failure and fear

on a personal level of lacking the leader's support. In this environment, people did not take risks and were hesitant to speak on any subject for fear of being contradicted by the Leader or his assistant. Many issues were referred to Leader B's office for action instead of being handled at a lower level as they would have been with Leader A.

ESTABLISH GENERATIVE RELATIONSHIPS

leader a

Leader A paid scant attention to the organizational chart. He identified someone with a set of skills required for a project and assigned them to work on it. His Blue Ribbon Task Forces were comprised of Board Members, executive staff, support staff, and front line program employees. And because of the context already created, work on these committees and work groups was always accomplished on a level playing field. Titles and job responsibilities were left at the door as a matter of established ground rules. "Eclectic" best describes the combination of team members on any group. The very essence of the unusual nature of team membership often led to startling epiphanies – the phrase "I never knew that" was frequently heard as new combinations of people worked together. The ability to create novel relationships was perhaps one of the strongest features of Leader A's term. By the time he got around to putting together groups, there was already a volume of work done in the agency on gathering valid information, creating meaning and creating a working context, so the team, unusual as its membership might be, could go right to work. Leader A started the practice of "sequestering" a team. For significant issues, he would pull people from their

current jobs and set them up for a time in a different office with support staff and a facilitator. They were expected to work on the group assignment, full time, until finished. As mentioned earlier, he had high expectations and he was willing to allocate the resources to assure success.

leader b

The main team that Leader B worked with was the executive team he put together for himself. It included his executive assistant, three professionals he hired from outside the agency, and two agency managers who had not been a part of Leader A's inner circle. His decision-making came to be seen as autocratic and unilateral. Leader B fought against any effort to strategize and organize around an issue. The thought of creating a specific team and telling it when and where to meet was foreign to him. He wanted to wait for " ... the best ideas to float to the top ... " of the organization and felt the outcome would be ruined by any efforts at controlling the environment or process.

In summary, Lewin states:

...complexity science implies that the CEO's and managers must give up control – or rather the illusion of control – when they are trying to lead their organization to some goal. But they do need to create the environment in which creativity can emerge. The message of complexity science is not simply to stand back and wait for the right solutions to emerge. Too little control is just as misguided a business strategy as too much. Some structure is necessary. The degree and nature of control that

CEO's establish in their companies strongly influences what emerges, in terms of culture, creativity and adaptability. (1992, p. 200)

Final Words

Public sector organizations continue to exist and function, including the subject agency. They do not go out of business because of a change in leadership or even necessarily because of bad leadership. The agency that was the subject of this research is still functioning and is still subject to the political wishes of the voting public. Even though well thought-out plans did not exist for succession planning, individuals were found to fill positions and pitch in on projects until permanent choices could be made. Programs continued to provide services and employees continued to show up for work and get paid. This case study did not attempt to examine legislative performance measures for the agency or assess achievement of federal grant requirements. It examined instead the personal experiences of the senior managers most closely associated with both leaders, and the opinions about the climate of the organization that employees expressed in the Survey of Organizational Excellence. The stories, supported by the survey data, reflect two different organizational environments and two different patterns of work and achievement. Decades of climate and culture research define the many ways in which organizational effectiveness and employee attitudes are affected by the social context within the organization. This study supports earlier research that shows change can happen in public sector organizations and public sector leaders can have a definite impact on the social context of an organization.

In the subject organization, Leader A was successful at gathering information and communicating context for agency employees. He redefined the role of the agency by describing the need to “play in a bigger sandbox” and to “run with the big dogs”, phrases that are remembered to this day in the agency. He forged new relationships with his expectations that managers would meet and share information, and he provided opportunities for individuals and teams to assume new responsibilities and tackle big problems. The fact that a problem or issue was not solvable did not keep people from trying. It was the work itself that had meaning, not just the end result.

Leader B brought to the organization all the information he felt he needed. He was largely unsuccessful at articulating his vision and thus provided no context for the work he wanted done. With little information, unclear vision and no context, work lost its meaning for the people performing it. Valuable people left the agency, taking with them decades of organizational memory. People who stayed withdrew from seeking assignments and projects. There was a bunker mentality, in which everyone seemed to be waiting for the inevitable change of leadership that all knew would occur.

ONE LAST STORY

You know, the thing that strikes me about the difference between Leader A and Leader B is that I think Leader A was a mile wide in his vision and a mile deep in his ability to execute it. He could put feet to his ideas and they achieved their own momentum. Leader B’s vision may not have been a mile wide, but he did have one. The problem was that he was only

an inch deep in his execution. Leader A was consistent. Once he set a course, he orchestrated things toward that course. That is what I mean about ideas gaining their own momentum. Leader B was inconsistent. He would set a course one way one day and change it the next. There was a lot of jerky starting and stopping. Depending on whom he was talking to, he might pledge allegiances to an individual one day and the very next day they were the enemy and he wouldn't support them at all. It felt like organizational whiplash. There was just an inconsistency about him. Leader A acted like a professional in all ways. Leader B was an amateur. He didn't inspire. We accomplished good things with Leader A and we felt good about our work. With Leader B, we felt like we couldn't even do our jobs. And it didn't feel good. (Interview, February 2003)

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